

The NATIONAL UNDERWRITER

Life Insurance Edition

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The Ohio National Direct Mail Sales Portfolio Again Wins Advertising Honors!

Two Excerpts from Letters Sent Us!

"I want to take this opportunity to congratulate you on the distinguished honors you have just attained in the Direct Mail Advertising Association contest for the 'Fifty Direct Mail Leaders of 1936.' Our representative at the convention in Cincinnati brought back a complimentary report on the exceptionally high quality of this year's winners."

"At the Direct Mail Advertising Association Convention last week, where we had an exhibit, I noticed the effective campaign you produced and which won the D.M.A.A. Certificate Award."

"I want to tell you how fine I thought it was, as I fully realize the deliberate planning involved in producing your sales portfolio and direct mail."

For the second time in as many months, the Ohio National Direct Mail Sales Portfolio has been awarded recognition by advertising experts.

The Direct Mail Advertising Association chose the Portfolio as one of the Direct Mail Leaders of 1936.

The Portfolio again received recognition at the exhibit held during the Life Advertisers' Convention in Chicago, in November.

Ohio National's Direct Mail Sales Portfolio is available to every salesman of the company.

For a General Agent's Contract Write to—

John H. Evans, Vice-President

The Ohio National Life Insurance Company
CINCINNATI, OHIO
T. W. Appleby, President

FRIDAY, NOVEMBER 27, 1936

In full color, this advertisement appears in a number of leading magazines as a part of the national advertising campaign of

NEW YORK LIFE INSURANCE COMPANY



New York Life Insurance Company's reproduction of "Return of The Mayflower" by G. H. Boughton. Courtesy of copyright owner, Curtis-Cameron, Boston

THE PILGRIMS

The Mayflower sails away for England, and the little band of Pilgrims are left alone in the New World . . . After months of toil and hardship, they reaped their first harvest and celebrated their first Thanksgiving.

Each year when families are reunited on Thanksgiving Day, we are naturally reminded of the close bonds of duty and affection that hold the American home together.

Although the United States and Canada have only about one-fourteenth of the world's population, the total amount of life insurance in force in these two countries is more than *double* that of the rest of the world combined!

If you are a father and want protection, in event of your death, to assure a monthly income to pay the monthly bills during the critical years while your children are growing up, consider the New York Life's new Family Income policy. It gives added protection while the children are young . . . permanent protection for your wife . . . and the option of a guaranteed life annuity income for your retirement. Premiums are usually not much higher than for Ordinary Life.

Ask a New York Life representative to tell you about it . . . or write for our Family Income booklet to the Home Office, 51 Madison Avenue, New York, N. Y.

To Our Policyholders and the Public:

When you buy life insurance, it is because you want to feel absolutely sure that money will be paid promptly when due . . . to your wife and children in event of your death (or to yourself in old age). Nothing else is so essential to your peace of mind and sense of security as to know that, no matter what may happen to the rest of your estate, at least your life insurance will be safe.

In investing its assets, the New York Life has consistently followed a conservative financial course, adhering to the principle that safety should always be the first consideration.

Thos. A. Buexner
President

The NEW YORK LIFE . . . A Mutual Company founded 91 years ago on April 12, 1845
SAFETY IS ALWAYS THE FIRST CONSIDERATION . . . NOTHING ELSE IS SO IMPORTANT

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Fortieth year. No. 48. Friday, November 27, 1936. \$3.00 per year, 15 cents per copy. Entered as second class matter, June 9, 1900, at the post office at Chicago, Ill., under act of March 3, 1879.

The NATIONAL UNDERWRITER

Fortieth Year—No. 48

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 27, 1936

\$3.00 Per Year, 15 Cents a Copy

Stress Production From New Agents

Weeding Out, Plus Normal Depletions, Have Left Gaps in Ranks

DEATHS A LARGE FACTOR

Problem Is to Get and Keep Quality Agents Without Too Great a Cost

NEW YORK, Nov. 25.—Emphasis on the importance of a substantial percentage of production from new organization appears to be reviving in a very definite way, according to indications observed at the recent joint meeting of the Life Agency Officers Association and the Life Insurance Sales Research Bureau. The stringencies of the depression caused the managerial spotlight to be thrown most vividly on the problem of living incomes for agents already under contract, with the idea of putting them on a sound financial basis or eliminating them from the business as being unfitted for it.

The cordial response which greeted Vice-president W. W. Klingman of the Equitable Life of New York when he pointed out that deaths alone in existing organization necessitate getting 10 to 15 percent of premiums from new agents just to hold even, indicated that he had hit upon an angle which had been in the minds of many of those present.

Weeding Out Leaves Gaps

There is no slackening in the desire of agency officers, agency managers and general agents to improve the economic status of agents generally, but this very process, while tending to divert emphasis from the need of getting in new blood, actually intensifies the need. In addition to agents' contracts being terminated because of deaths and other usual causes, the weeding out of unfit salesmen has left additional gaps in the ranks which must be filled by new men.

A concrete example of the necessity for getting new organization production was cited by W. M. Duff, head of the Edward A. Woods agency of the Equitable Life of New York in Pittsburgh, in his address at the National Association of Life Underwriters convention in Boston.

Production Dropped 15 Percent

Taking a group of 7 of the office's able agents Mr. Duff said that the group produced in its best year a total of \$16,954,000. In 1928, the group paid for \$8,925,000. By 1934 the group, and its production, had shrunk to the point where it paid in that year just \$2,546,000—15 percent of the total that it had produced just a few years earlier.

Agency departments and agency heads are more and more convinced of the necessity of having quality agents, which

(CONTINUED ON LAST PAGE)

Fraternalists Seek Exemption from Social Security Tax

BIG N. F. C. RALLY ON MATTER

Special Committee Is Directed to Ask for Ruling or Press for Amendment

Organized fraternal societies initiated steps at a meeting of the National Fraternal Congress executive committee in Chicago to seek exemption under the social security act. They hold they are organized and operated for charitable and educational purposes, are uniformly exempted from taxation under state and federal laws and should be also under the social security act.

A special committee headed by H. L. Ekern was appointed to take up with the Treasury Department the matter of such exemption, and if the effort is not successful to take steps necessary to have filed in Congress an amendment to the social security act to this effect. Mr. Ekern is president of the Lutheran Brotherhood, head of Ekern & Meyers, Chicago insurance law firm, and former Wisconsin commissioner.

Other members of the committee are: Mrs. Bina West Miller, Woman's Benefit, Port Huron, Mich.; Dr. E. Bradshaw, Woodmen of the World, Omaha, and T. H. Cannon, president Catholic Order of Foresters, Chicago. The committee was instructed to go to Washington to interview Treasury Department officials Nov. 30.

A resolution was adopted: "Whereas, Fraternal benefit societies are organized and operated for charitable and educational purposes, no part of the net earning of which inures to the benefit of any private shareholder or individual, and are exempted from all other federal taxes; and such societies have always been and now are generally recognized as charitable and benevolent organizations entitled to exemption from taxation; and such societies as employers are believed to be entitled to exemption from taxation under the social security act.

Ruling to Be Sought

"Resolved—that the executive committee of the National Fraternal Congress of America be and is hereby requested to seek a ruling from the Treasury Department of the United States on the specific question of whether or not these fraternal benefit societies, licensed and operated as such under the laws of the several states and the District of Columbia, are excepted from the provisions of the social security act under section 811 (b) (8) and section 907 (c) (7).

"To ask the Congress of the United States to amend the social security act to provide for fraternal benefit societies organized and operated as such under the laws of the several states and District of Columbia, as employers the same exemption from taxes under the social security act as is granted to such fraternal benefit societies under other federal tax acts."

It was unanimously agreed by the 62 officials who attended representing

(CONTINUED ON LAST PAGE)

Restrict Non-Medical Life and Annuity Combinations

FEW COMPANIES ISSUE THEM

Travelers Cuts Limit After Few Weeks at \$1,000,000; Equitable of N. Y. to Require Examination

NEW YORK, Nov. 25.—Although the Travelers jumped its limits on non-medical single premium life insurance and annuity combinations to \$1,000,000 on Oct. 1, it has recently cut the limit to \$110,000 and the Equitable Life of New York has just announced that such a combination will not be issued without a medical examination after Dec. 1. The Travelers and the Prudential have the highest limits on this form of coverage, each taking a maximum of \$110,000. The Equitable Life's limit is \$55,000, the Connecticut General Life's is \$27,300 on the \$110 combination and \$27,125 on the \$1,085 combination. The United States Life will take up to \$15,500.

Limits Sharply Reduced

It used to be possible to place several million dollars in this type of contract but about two years ago the companies began to reduce limits sharply and have been scaling them down or withdrawing from the field ever since. Some companies will still issue them in limited amounts but solely for their own agents.

The limitation is due solely to a desire not to have large sums of money to invest at a time when interest rates are extremely low. There is no chance of loss because of the non-medical feature, since the total consideration must be equal to anywhere from 108.5 percent to 110 percent of the face of the single premium policy. This excess is to save the company from loss if the policyholder should die soon after the contract became effective. If it were not for this excess, the company would be minus its acquisition costs on such early deaths.

Another form which has been very much limited but is now only written by four companies now operating in New York state is the single premium retirement income contract, or deferred annuity. Many of these contracts were bought by people who had no idea of taking the income from them but used the contract merely as a savings account on account of the higher rate of interest to be obtained.

October Ordinary Sales Show 2 Percent Decline

October ordinary life sales showed a 2 percent decline, according to the Sales Research Bureau. For the first 10 months and for the last 12 months business was off 4 percent. The south central states showed a 12 percent gain in October, the mountain states were ahead 9 percent, while the east and west north central, Atlantic and Pacific states equaled last year's record. The south central states were 2 percent off and the New England and middle Atlantic states had 6 percent less business.

Los Angeles showed a gain of 7 percent in October, Detroit 5 percent and

Pension Trust Plan Is Catching Fancy

Great New Avenue Offered for Placing Large Amounts of Life Insurance

REQUIRES MUCH STUDY

Tax Saving to Corporations Is Powerful Factor; Also Loyalty of Benefited Employees

One of the great new avenues for life insurance sales which has been opened by national emphasis on social security is the setting up of pension trust funds. A good many agencies have been studying this field for a number of months and a substantial volume has been placed by the comparatively few offices that were thoroughly informed and knew how to arrange the plans so they would meet the federal tests.

At first this medium was seen by many life insurance men as offering primarily the powerful argument that it would help to avoid at least a part of the United States undistributed profits tax and also corporation or individual income tax. But the wise offices are not selling it on that basis today. They are confident the government is thoroughly awake to the inherent possibilities for tax avoidance and will inspect every such plan with the idea of imposing the tax whenever it is obvious the corporation hopes to profit more than the employees and thus is insincere in making its contribution to the workers.

Wage Increase Factor

Tied up with consideration of pension trust plans, according to insurance men who have closely studied the subject, is the impelling demand in the national economic system for wage increases in industry and business generally. These were held off for one reason or another during the depression period in spite of the continued sharp rise in commodity prices and the cost of living and although many businesses had accumulated large surpluses.

It is believed by most observers that the government does not care which of the three avenues for disposal of surplus profits is taken by business concerns: To take no action, thus becoming subject to the full weight of the undistributed profits tax; to declare dividends, or to make a distribution to employees through wage increases, pension plans, etc. In any event, the government will take its tax, on dividends, if that is the decision, or in the form

(CONTINUED ON PAGE 10)

Chicago 3 percent. New York and Cleveland were off 5 percent, St. Louis down 9 percent, Philadelphia off 11 percent and Boston down 15 percent.

Interesting Picture of Carpenter of California

By A. V. BOWYER

Out in Los Angeles sits a quiet, calm and diplomatic, young-appearing man whose present situation is sympathetically described as a predicament but which he himself calls "a part of the job." He is not sad, he is not sending out any worry waves despite hour after hour, day after day and week after week on the witness stand answering every question asked by shrewd, object-and-errors-seeking attorneys concentrated upon upsetting the gentleman's plans for rehabilitating the Pacific Mutual Life.

The man in the witness chair is S. L. Carpenter, Jr., who became insurance commissioner of California in March, 1935, to find many existing and developing complex problems resting right in the middle of the desk. Not the least of these boiling in the trouble pot was the Pacific Mutual Life's non-cancellable accident and health situation which was rapidly boiling over. And then there was the immediate problem of dust-disease surcharges on compensation insurance rates requested by the compensation insurance carriers.

Commissioner Busy With Legislation

But, before this, was the problem caused by the numerous assessment benefit life and accident associations in California which had thrown distorted reflections upon the picture of legitimate legal reserve insurance for more than two years.

Tackling this latter problem even before he had a chance to become accustomed to the fit of the insurance commissioner's chair, Mr. Carpenter rushed to the legislature in session, sponsored several bills which stopped some of the most gaping holes in the insurance fabric. Probably foreseeing some future stock life insurance contingency, he also threw in a clarifying measure permitting mutualization of life companies and setting up the procedure.

As a former local agent he knew the agency problem, so, legislative activities finished, he reviewed that situation, issued orders, reorganized the department slightly but effectively. Result: Insurance today in California is probably on a more stable basis than ever before.

Silicosis Surcharges Subject Considered

One of the first "big" steps by Mr. Carpenter was the decision in the highly controversial silicosis surcharge matter. When, in accordance with requirements, he announced the application of the compensation carriers for heavy surcharges on compensation insurance rates for some sixty-two industries holding some degree of dust disease hazard, the opposition cries were heard the nation over. The commissioner invited all the protestants to attend hearings and with calm supervision, gave all an opportunity to present their objections. The results were more than at first visible but a by-product will be, and in part has already been, a better understanding of compensation insurance by the employers and progressive steps taken voluntarily by industry and labor leaders, to reduce, if not entirely eliminate, this hazard from the several industries.

To observers Mr. Carpenter—who by the way did not become insurance commissioner because he needed a "job" or wanted political power—has the ideal qualifications for the task, and in a state like California, it is a big task. He is honest, sincere and capable, the latter based upon a successful career as company employee and many more years as

Rule & Sons, then rapidly growing to ultimately become probably the largest local agency in Los Angeles—first, manager casualty department; next, sales manager; then vice-president; and finally, president.

A grand "mixer," a slow, deliberate speaker, with eyes that "laugh right out loud," a remarkable understanding of human nature which naturally makes him tolerant, Commissioner Carpenter is fortified with courage, knowledge and loyalty to the insurance business with a quiet dignity that reflects a determined but just and kindly firm nature. He has no time for shysters, slickers, crooks or public-baiters.

As a fellow insurance commissioner, who was in Los Angeles several weeks investigating Carpenter's Pacific Mutual Life plan, said: "You in California should thank God for 'Sam' Carpenter."

Development of Insurance Medicine Told by Thornton

APPLETON, WIS., Nov. 25.—"Life insurance has prospered because it has served and will continue to prosper because it will continue to serve," Dr. W. L. Thornton, medical director and second vice-president of the Lincoln National Life, said in a talk to the Appleton Association of Life Underwriters.

Tracing the growth of life insurance during the last half century and the advances of clinical medicine along diagnostic and prognostic lines, he said they have combined to create a specialized practice known as insurance medicine. "Insurance medicine," Dr. Thornton said, "is the infant among the practical sciences and was called into being to fill a great need. Life insurance had to have a refined and exact method of determining prognosis and appraise with accuracy the longevity of human life. The history of insurance medicine is the story of the search for the proper method."

Dr. Thornton said insurance applicants were examined by a board of directors years ago and mortality then was higher and premiums also higher. With the expansion of the business medical examiners were added. Selection decisions based only on clinical training proved inadequate when put to the test of improved mortality investigation. Actuaries solved the problem by urging consideration of a group of individuals, as a unit. The prognosis of any individual is uncertain, he said, while the mortality behavior of the right kind of a group is constant. Insurance medicine goes to great lengths to fulfill group requirements and particularly to maintain a satisfactory degree of group homogeneity.

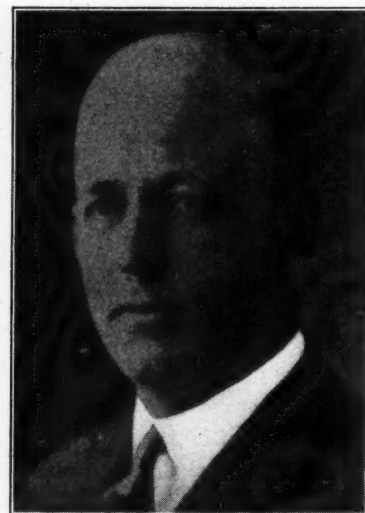
Mundus Commissioner Candidate

The newest candidate for insurance commissioner in Michigan is J. W. Mundus, widely known Ann Arbor agent. He has been active in the Michigan Association of Insurance Agents for many years and retired as its president last September after a successful term, remaining on the governing committee.

Although still a comparatively young man, he has had many years of experience in the fire and casualty agency field and has a thorough knowledge of the business and of the agents' problems. He would undoubtedly receive the unanimous support of the Michigan association and of the various local boards should he be considered for the post by Governor-elect Frank Murphy.

Others whose names have been mentioned include Frank Gorman, long connected with the Detroit board of education; T. F. Gaffney, Detroit insurance man, and John O'Meara, Hillsdale agent.

Commissioner Ketcham has offered his resignation effective at the pleasure of the governor elect. He believes the new executive should be given a "free hand" as regards appointees as soon as he comes into office.



SAMUEL L. CARPENTER, JR.

a local agent and executive head of a large local agency. He is not easily swayed; he is exasperatingly calm to some people, but encouragingly calm to others who need the reactions of calmness. He is a deep thinker, guided constantly by inherent constructive consciousness.

He "loves" the insurance business and it was this affection for his chosen profession that prompted him to accept the commission. He saw an opportunity to study first hand the evils he had heard about and the many he had personally encountered. He knew company finance and structure—he is an insurance man. He is unbiased, tactful, earnest—he is a friend to a friend and harbors no grudge against any man. He conducts his own hearings, he attends to all major matters personally and where this is impossible, particularly during the past few months, he "keeps in touch" and can discuss any matter before the insurance department with understanding.

Starts in the Local Agency End of Insurance

Mr. Carpenter, a native of Denver, went to California to graduate from the University of California. He then tackled the job of life at Los Angeles and in 1911, responded to a call from Guy Leroy Stevick, then, as now, executive head of the Fidelity & Deposit in the San Francisco office. But young Carpenter liked Los Angeles and in less than two years he was back there, operating as a broker specializing in fidelity and surety.

Later, he joined a well known local agency, then moved to a larger firm operating also in the real estate and investment field. He became insurance manager for this firm—then back for a four year "course" with the old general agency of Landis & Brickell. In 1920, he joined

Analysis Made of Sales Methods of Leading Producers

BOSTON, Nov. 25.—Ten Boston life underwriters, who paid for over \$6,000,000 in 1935, and have already exceeded that amount by 5 percent this year, summarized their methods at the November meeting of the Boston Life Underwriters Association. An analysis of answers to questions showed the following averages:

"What percentage of your calls are on friends, referred leads, strangers?" Answer: Friends, 29 percent; referred leads, 54 percent; strangers, 17 percent.

"In what percentage of your calls do you make appointments in advance, in calls on friends, referred leads and strangers?" Answer: Friends, 68 percent; referred leads, 50 percent; strangers, 8 percent.

"How do you rank the following in order of their importance: Contacts, effort, knowledge?" Answer: Effort, six firsts, one second, three thirds. Knowledge, two firsts, six seconds, two thirds. Contacts, two firsts, three seconds, five thirds.

Do You Use Direct Mail?

"Do you make regular, consistent use of direct mail?" Answer: Yes, 3; no, 7. "Do you regularly govern your efforts and check your results with a weekly, monthly or yearly quota?" Answer: Yes, 9; no, 1.

"How many cases did you pay for last year?" Answer: 46 lives.

"Do you use an organized talk habitually?" Answer: Yes, 6; no, 4.

"At what age did you enter the life insurance business?" Answer: 32 years.

"How long have you been in the business?" Answer: 10 years.

"How many years elapsed before you wrote your first \$250,000 in a year?" Answer: No years: an average of 7 of a year.

"Do you specialize (spend 25 percent or more of your sales time) in selling anything, annuities, business insurance, college education, family protection, juveniles, programs, taxes, women?" Answer: Taxes, 6; programs, 4; business insurance, 3; family protection, 1; anything, 3.

The number of cases of the 10 men written last year varied from 16 to 80; the ages of entering the business ran from 22 to 52; none had been in business less than two years and none over 13. Three years was the extreme limit required for the first quarter million.

The ten individual underwriters whose experience was consolidated were F. H. Begole, Jr., Equitable Life; N. F. Bissell, New York Life; V. E. Blagbrough, C. B. Johnson, John Hancock; L. E. Goodrich, New England Mutual; W. A. Hanlon, Metropolitan; Justin Perkins, Penn Mutual; O. J. Schoonmaker, Phoenix Mutual; Max Slater, Connecticut Mutual; and J. M. White, Travelers.

The association's annual meeting will be held Dec. 15.

Name Institute Council

TORONTO, Nov. 25.—The council of the newly organized Life Insurance Institute of Canada will be made up of L. K. File, Canada Life, Toronto; C. P. Muckle, Excelsior Life, Toronto; J. W. Fisher, National Life, Toronto; W. G. Galloway, North American Life, Toronto; G. W. Geddes, Northern Life, London; N. J. Lander, Continental Life, Toronto; J. S. Stevens, Crown Life, Toronto; A. N. MacTavish, Dominion Life, Waterloo; C. Elvins, Imperial Life, Toronto; R. E. Dowsett, Manufacturers' Life, Toronto; J. D. Williamson, Canada Life, Toronto; J. H. Birkenstam, Confederation Life, Toronto; E. A. Brock, Great West Life, Winnipeg; O. D. Newton, London Life, London; E. E. Duckworth, Sun Life, Montreal. Officers were announced last week.

Ohio Superintendent to Recognize Agent's Merit

Superintendent R. L. Bowen of the Ohio insurance department follows a very interesting course when he learns of a life agent who has made some outstanding record in production, conservation, continuity in weekly application record or any achievement that is worth while. He writes a commendatory letter to the agent saying that the department is intensely interested in people of that type. The recipient of a letter of this character naturally is delighted in being recognized by the head of the insurance department.

Bank Policy Liens Not Likely in N. Y.

Risk of Offending Life Company Depositors Held Effective Bar to Practice

KEENLY SOUGHT IN WEST

Loans Solicited at Low Interest Rates, as They Provide Safe Investment Channel

NEW YORK, Nov. 25.—The epidemic of commercial banks seeking loans on life insurance policies appears to be in no danger whatever of hitting New York City. This practice, under which a bank offers to lend money on an insurance policy at a considerably lower rate than the standard 6 percent at which the life companies lend, has sprung up in various cities, particularly St. Louis and San Francisco. Some banks have gone to the extent of actively soliciting this type of business, as even at a low interest rate it enables them to put their money out on unquestionable security and get more than they otherwise could. Some rates are as low as 3½ percent.

The reason why there is little likelihood of the practice being adopted to any appreciable degree in New York City is that life companies here are the valued customers of the principal banks and the latter are not likely to do anything which would appear to invade the companies' province.

Loans Made Reluctantly

New York banks have accepted policy loans, principally replacements of existing loans, rather than making new loans. They have done this only with the greatest reluctance and where a good customer is so insistent that it would be poor policy to refuse. Where there is no immediate prospect of the loan being paid off, the usual rate is 4½ or 5 percent. However, if it is merely a temporary loan to tide over some shortage of funds due to the customer's business operations, the rate may be considerably lower.

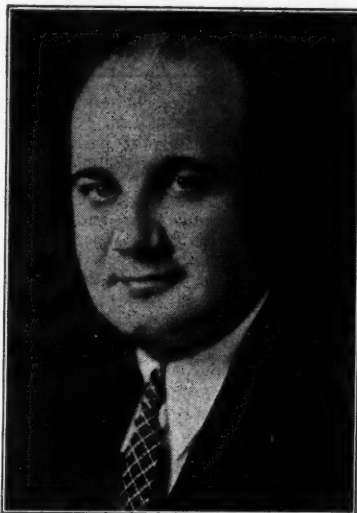
What the net effect would be if banks were to go after policy loan business on a broad scale is problematical. The result would be for the banks to skim off the large and hence profitable loans, leaving the insurance companies the small loans which are expensive to the company even at a 6 percent interest rate. On the other hand, the ends of conservation might be served, because the borrower would no longer feel that he was borrowing his own money, but would consider that he owed the debt to the bank and would feel more obligation to pay it off, the same as he would about any other bank loan.

The lending of money on insurance policies as security has long been practiced by the Morris Plan Bank on small loans, and has more lately been taken up by the personal loan department of commercial banks. There is no competition with life companies here, however, as the rate charged is actually higher than 6 percent when the fact that the borrower is obliged to pay off a certain amount every month is taken into consideration. This monthly amortization results in the borrower not having the use of the entire sum for a whole year, even though he is paying interest on it.

Commissioners in New York

NEW YORK, Nov. 25.—The subcommittee of the examination committee of the National Association of Insur-

Legal Speaker



RALPH H. KASTNER

Ralph H. Kastner of Chicago, associate counsel of the American Life Convention, will present a paper before the annual meeting of the Association of Life Insurance Counsel in New York City the week of the Life Presidents' meeting.

ance Commissioners met here to consider the misallocated and unallocated premiums and back taxes in 12 or 15 southern states. Auditors working for the committee submitted reports. Superintendent Julian of Alabama heads the sub-committee assisted by Bowles of Virginia, Tobin of Tennessee and Read of Oklahoma.

"Live to Win" Slant Reveals Unusual But Sure-Fire Sales

NEW YORK, Nov. 25.—An executor bought life insurance to protect the \$100,000 fee he would receive if he lived to settle up the estate; a judge elected for a 21-year term to the Pennsylvania supreme court bought insurance to protect the \$19,500 yearly salary he would receive if he lived; a district attorney elected for a four-year term similarly protected his vested interest in the salary he would receive; four young lawyers insured the life of the eminent head of their firm to be sure that if he died they would be able to keep on occupying their large and luxurious suite of offices. These examples were cited by Malcolm Adam, assistant vice-president Penn Mutual Life, who addressed the second business-getter conference of the New York City Life Underwriters Association.

Such cases as these, he said, are unusual not because the opportunities to write them are rare, but because they are not perceived by life insurance agents. The habit of looking for situations where there will be a gain if someone lives rather than merely seeing where there will be a loss if someone dies, will reveal these ever-present but seldom utilized opportunities.

Audience Participates

In each case, Mr. Adam outlined the circumstances and then gave the audience the opportunity of perceiving the chance for the unusual and yet sure-fire coverage.

One of the most unusual cases, and yet one where there was a very definite need which resulted in an immediate sale, was that of a sculptor who had been commissioned to erect a statue of a prominent man. The latter's widow

had left \$100,000 for the purpose. The principal expense, about \$70,000, was the sculptor's fee. When it was pointed out to the executors of the estate that if the sculptor should die before completing his work, the installments already advanced to him would be lost, as a second sculptor would have to start from the beginning, they immediately saw the wisdom of insuring the sculptor's life. The coverage was on a term basis but so arranged that the sculptor could pick it up and convert it later, which he did. Although thousands of life insurance agents saw in the newspapers that this \$100,000 had been left to have a statue built, only one saw in it a chance for a life insurance sale. Mr. Adam pointed out.

"Keeping Up the Front"

The four lawyers who insured their chief were all men of ability and could handle cases just as well as the "big shot." The agent, however, pointed out that if the older man should die, the younger partners could probably not afford to remain in their magnificent offices, and consequently would lose much prestige and probably many clients of the firm who would remain if the firm was able to maintain the accustomed style.

Lawyers offer excellent opportunities in other directions, Mr. Adam pointed out. Oftentimes a law firm has a long drawn out case with a fee running up into very large figures. He mentioned a case where a man's father, who was a member of a law firm, had the misfortune to die before an important case was won and so lost a one-third share in a fee amounting to nearly half a million dollars.

Sometimes, Mr. Adam pointed out, tangible values, like real estate, depend on life values for the main part of their worth. For example, a florist bought a house for \$15,000 in a restricted residential district and was preparing to spend about \$15,000 to put in a glass show window and shop. Many agents read about it, because it was considered something of a feat to put in a store in the face of restrictions.

One life insurance man, however, saw an opportunity for a sale. He showed the florist that the building depended for its value upon his living to get the return out of the investment, but that if he should die the house would be worth even less than the \$15,000 he had paid for it, since the alterations would be a liability rather than an asset unless another florist could be found as a purchaser.

Insuring Outstanding Accounts

Real property is not the only thing which depends upon life values, Mr. Adam continued. Doctors as a group are far under insured. Most of them have many outstanding accounts which if they live they may collect to a considerable extent, because the patients realize that they have to go back to their doctors. However, if the doctor dies the chances of collecting these bills is vastly less, and this contingency should be covered by life insurance.

The present period of improving business conditions should offer a tremendous opportunity for business insurance, particularly among the neglected smaller cases, Mr. Adam emphasized. Despite the obvious fact that the small firm which needs a \$2,000 business insurance policy may need this amount worse than the larger firm needs the larger policy, there is a great dearth of small business insurance contracts.

The recent depression has plainly marked those men who are valuable to a firm as contrasted with those who are not, and has made obvious the loss which would be suffered if they should die, Mr. Adam said.

(CONTINUED ON LAST PAGE)

Beyond the Rate Book

The young Agent, having studied his company's optional settlements, its various types of policies, and its rate book, should not conclude that they are the all-in-all of what his company can do. General Agents long ago learned that actuaries are extremely resourceful in suggesting the means to win a case through a special arrangement.

A maritime radio operator. He wanted life insurance, to accomplish a specific thing. The case, competitive among several Agents, narrowed to choice between this and another company. The rate book contained nothing to help either Agent, and the plan had to be a composite of two others. Our representative, after some study, discovered the solution and obtained the business. The other company could have supplied just what we did, but apparently its representative, inexperienced, did not go beyond the rate book and consult either his General Agent or the company's actuarial department.

Almost anything in life insurance coverage,—even though beyond the rate book's scope,—can be supplied by means of riders and policy combinations.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Sensible Selling Forum

Ralph Engelsman Answers Selling Questions From Floor in Novel Philadelphia Life Gathering

PHILADELPHIA, Nov. 25.—Ralph G. Engelsman, general agent in New York for the Penn Mutual Life, turned the November luncheon meeting of the Philadelphia Association of Life Underwriters into a classroom and conducted a "Forum in Sensible Selling." He was introduced by Dr. John A. Stevenson, vice-president Penn Mutual Life.

The questions were not rehearsed and were directed at Mr. Engelsman from the floor. To "on the first interview should the agent sell himself or the company?" Mr. Engelsman replied:

"To sell life insurance. By doing so, you will also sell yourself and the company. I am a believer in first interview selling. Most people on whom the average agent calls cannot afford a large line of life insurance. In a few minutes, you can give an honest appraisal of a man's needs. This doesn't apply, however, to large cases where you have tax problems, etc."

How to Handle Secretary

Asked how he gets by the secretary when he is calling cold on a prospect about whom he has no information, Mr. Engelsman replied that he tells her that he wants to see Mr. Jones about life insurance. When she says that she knows Mr. Jones will not be interested, he asks her to take in his card. Of course, he remarked, the card will come back. Then he asks her to take it in again after writing the following on it:

"Dear Mr. Jones—I would like to exchange ideas with you for a few minutes. If I tell you the same thing that other life men have told you, I'll leave."

In telling how to get names of prospects, Mr. Engelsman said to select four or five of the "most prominent people you know, go to them, tell them that you are in the life insurance business, that you expect to grow and that you want to grow with young men who are going places. Then ask for the names of two of the most promising young men they know."

"Here's what I plan to say to them,"

Ohio Department Has Put Out Informative Booklet

Superintendent Bowen of the Ohio insurance department has gotten out an illuminating booklet of 16 pages and cover, giving in tabloid form the different branches of the department and the functions of each. It is designed to acquaint the public with what the insurance department is doing and to enable it to get sufficient appropriation to carry on the very important work. The public is advised in the foreword by Superintendent Bowen to purchase insurance from licensed agents and authorized companies. People are cautioned against the professional life insurance "abstractors, counsellors, estate planners," etc. Mr. Bowen says that some of these have done a tremendous amount of damage in disrupting life insurance programs. Mr. Bowen says: "Investigate carefully before you change from your trusted life insurance counsellor to an unknown quantity."

Various Departments

"Then under various heads of departments are given the duties, these being the superintendents, deputy, assistant to the superintendents, warden, and the various sections: Actuarial, fiscal, license, examination, bureau of lost policyholders, fire insurance rating bureaus. Under the examination section comes the bureau of examiners, of investigation, of real estate survey, of evaluation of securities, of legal examination and taxation and the bureau of statistics.

you tell the man and you give him your sales talk," said Mr. Engelsman. "I want you to punch holes in it because I do not want to tell him anything that isn't just so and of which you don't approve."

"Then you go to the young man. You tell him that 'John Stevenson gave me your name. I told him what I was going to say to you and that I want young men who will grow as I grow. In five years or so, we'll both be big shots.' That flatters him."

Replying to a question as to what effect, if any, the social security act will have on life insurance, Engelsman said, "The greatest in the world. It will have the same reaction as war risk insurance had during the war. The average man will only get about \$35 a month and you can capitalize on it."

Provides for Rest of Program

"What a break for you—you don't have to put away much for the \$35 and that gives you more money for the rest of your retirement program."

"Those that do not come under the act will have to get up their own social security programs. If you sell a man income for his old age, you sell him more life insurance than if he took plain life insurance."

"People never will be able to afford life insurance," he said. "But they can afford retirement, education of their children, etc. A life insurance contract is only a piece of paper. Our job is to project the pictures of what life insurance will do."

"The trouble with life insurance is that it is too complicated. We must simplify the material. If my 12-year-old son can't understand what I am talking about, then I know that the prospect won't. Talk retirement in the terms of what it will do—fishing, golf, etc. Talk life insurance in terms of ham and eggs."

A. E. Patterson on the Circuit

A. E. Patterson of Chicago, president National Life Underwriters Association, will preside over a meeting of the trustees at the Waldorf-Astoria, New York City next Wednesday. On Friday he will extend the greetings of his organization to the annual meeting of the Association of Life Insurance Presidents. He will speak before the New-

Social Security Rulings Are Made by Federal Board

One of the service bulletins gives some interesting information regarding special rulings made by the Federal Social Security Board at Washington regarding the social security act. In each case the rulings were given in response to an individual question and, therefore, pertained only to specific instances. They may, however, be taken as indicative of the trend of thought of the Social Security Board.

"1. Are life insurance agents, whose principal remuneration arises from commission, classified as independent contractors or employees?"

"2. Are branch office managers and assistant managers, remunerated by salary only, employees, within the meaning of the act?"

"3. Are brokers placing life insurance with more than one company, or engaging in the sale of other lines of insurance, classified as independent contractors?"

"Be advised, based on the foregoing it is the opinion of this office that insurance agents and branch office managers and assistant managers are employees within the meaning of Title IX of the social security act, and the remuneration received by them should be included by the insurance company in computing total wages subject to the tax imposed by section 901 of the act."

"In answer to question 3, it is the opinion of this office that brokers placing life insurance with more than one company, or engaging in the sale of other lines of insurance, are independent contractors within the meaning of Article 205 of Regulations 90, rather than employees, and accordingly the tax imposed by Title IX of the social security act would not apply, unless the above broker employed eight or more individuals on each of some 20 days during the taxable year, each day being in a different calendar week."

GIVE OFFICIAL EXPLANATION

WASHINGTON, Nov. 25.—The Internal Revenue Department stated that no official ruling had been issued as to agents under the social security act but that the matter is under consideration.

ark association on Thursday. He will be one of the featured speakers at the jubilee dinner of the Pittsburgh Association Dec. 8.

Hope Fall Will End New York's Slump

City Has Made Consistently Worse Showing Than Rest of Nation

WALL STREET A FACTOR

Trend to High-Premium Retirement Forms Makes Figures Look Unduly Bad

NEW YORK, Nov. 25.—Life insurance men here are hoping that there will be a respite from the production slump which has been afflicting New York City to the exclusion of the rest of the country. Outside of New York business has been improving generally, though not spectacularly. Even in the drought areas and sections where the heat set new records for intensity and duration, business has been better than in New York City.

Some of New York's production slump is more apparent than actual, but there is plenty of it that is entirely too real. One item that makes things look unduly bad is that when the volume of new business is considered, there is nothing to show that there has been a pronounced trend for higher premium policies, which combine large retirement values with life insurance coverage. Many policies have been sold carrying premiums so high that they would have bought several times as much insurance on an ordinary life basis.

Poor September Showing

The poor September paid-for showing undoubtedly reflects the fact that many prospects took their vacations in August, seemingly more so than in many previous years. This made applications difficult to get in August. Also many agents took vacations in August.

The lessened sale of annuities, due to rate increases and to the saturation point being reached for large and readily available sums of money, has hit New York harder than the rest of the country, since proportionately more annuities were sold here. Many agents got in the habit of seeking annuity business and forgot that life insurance is the backbone of their business. They continued to hunt for annuity business even after the market for it sharply declined. General agents, managers, and home office agency departments have for some time been trying to get their agents to forget about annuities and go back to selling life insurance.

Financial Atmosphere Gloomy

Life insurance production in New York City has been the victim, both actually and psychologically, of the fact that New York is the nation's financial capital. While it is true that business in general has been expanding throughout the country, this expansion has not been the result of Wall Street activity of the type that made New York's financial district such a prosperous spot before the depression.

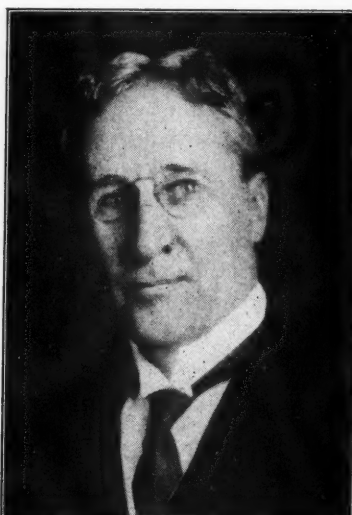
Wall Street, with its various ramifications, has always been an important market for the sale of substantial life insurance policies. Since the depression, however, it has been vastly less important and has shown few signs of coming back along with the rest of the country. Of perhaps even greater importance than Wall Street's virtual elimination from the life insurance market is the pessimistic atmosphere which it exudes. New York business men have too long been

(CONTINUED ON LAST PAGE)

Life Presidents Greeters



ETHELBERT I. LOW, Home Life Chairman



LEIGHTON MCCARTHY, Canada Life Vice-Chairman

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President Giannini Tells About Pacific Mutual Plan

HIS PROPOSALS ELUCIDATED

Three Prominent Former Officials of
the Company Are in Favor of
Transamerica Purchase

LOS ANGELES, Nov. 25.—President L. M. Giannini of the Occidental Life of Los Angeles appeared as a witness in the Pacific Mutual Life case to explain the offer made by the Transamerica group. He said that the plan would be to discard the name of the Pacific Mutual. He added that he considered the introduction of \$12,000,000 of new money into the company as the greatest factor in its rehabilitation. He said the plan was workable and he predicted that in less than 10 years complete restoration would result.

Two Companies Proposed

He proposes to organize two companies, one to handle all insurance except non-cancellable and one to reinsure the non-cancellables. The life company capital would be \$1,000,000 and the accident company, \$500,000. The companies would have separate officers and employees. He said that \$192,000,000 assets would be transferred to the life company and that dissenters would get their portion of reserve. He said that the non-cancellables would get measure of damage proved.

No moratorium on loans and surrenders would be necessary, he said. He detailed the capitalization of the accident company and was willing to collateralize two or even three annual \$500,000 payments; 1 3/4 percent of the non-cancellables are to come on claim annually. He does not contemplate conducting the accident company as a liquidating concern.

Position of Former Officers

Opposition to the Commissioner Carpenter plan and support of the Giannini suggestion was made by former officers of the old company and Attorney Judson stated that his clients definitely favored the Giannini plan. The clients mentioned specifically were former President George I. Cochran, Vice-president D. E. C. Moore and Secretary S. F. McClung.

The Transamerica group has filed a letter in which the United States government was assured its claims for income tax against the old company would be met by Transamerica if its plan were adopted.

President Giannini stated that he hoped to have the old Pacific Mutual agents join with him if he were allotted the company. He said that his proposed new accident company would write aggregate indemnity, but eventually would write all forms. He said \$7,500,000 would still be paid if the accident company had to go into liquidation. He said that it would take a year to get the new accident company going.

Attorney Judson for his clients said that he thought that President Giannini's plan was built on security rather than hope. Attorney Kenyon Lee declared that Commissioner Carpenter's rehabilitation plan is discriminatory.

Difference Is Explained

Alleged differences between Commissioner Carpenter's proposed reorganization of the Pacific Mutual Life and the rehabilitation of the National Surety of New York were detailed by H. F. Dotenheimer, attorney representing holders of non-cancellable policies. Mr. Dotenheimer cited numerous New York court decisions supporting his contention that the Carpenter plan is unfair. Reviewing the National Surety reorganization, he pointed out that it involved no preferred classes or liens and that no policyholder had objected to it. Insurance Commissioner Withers of New Jersey, in a letter filed with Judge

Willis, waived his former objection to segregation of assets of the Pacific Mutual and total of assumed liability for non-cancellable policyholders but maintained his position on new participating business. He held that the company should either limit its business to non-participating or else have the participating contribute an amount such as to reasonably compensate the non-can people for use of capital.

Claims Statute Is Unconstitutional

Attorney Lee representing protesting policyholders groups renewed his motion to dismiss the proceedings because of unconstitutionality and fraud. He defined the duties of the insurance commissioner under the law and argued that the statute delegating power to the commissioner to act is void because it violates the state constitution. He said the plan is a threat against life insurance generally and claimed that if the code were enacted under the police power it was in conflict with the fourteenth amendment of the federal constitution. He contended that the legislature cannot delegate legislative power to the commissioner or court.

Attorney General Webb closed the state's case last week. Hope is expressed that the hearings may be ended in a short time now but much will depend on how many sessions will be oc-

THE WEEK IN INSURANCE

Pension trust plan seen as significant life insurance development from national emphasis on social security. **Page 1**

More emphasis is being placed on the necessity of substantial percentage of production from new agents. **Page 1**

Fraternal societies name special committee at Chicago meeting to seek exemption from social security act. **Page 1**

More restrictive attitude taken on non-medical single-premium life insurance and annuity combinations. **Page 1**

How to unearth unusual but sure-fire prospects revealed by Assistant Vice-President Malcolm Adam, Penn Mutual Life. **Page 3**

Non-scheduled flying shows improved death rate. **Page 8**

Building boom in suburbs of New York offers investment channel to companies buying F. H. A. mortgages. **Page 10**

Mutual Benefit Life announces dividend action for next year. **Page 15**

Aetna Life makes policy changes. **Page 15**

Committees are announced for the local entertainment of the insurance commissioners at their mid-year meeting at Hot Springs. **Page 6**

Opportunities for sale of business insurance outlined at Cincinnati by Leon Gilbert Simon. **Page 9**

New Relief Service Office

NEWARK, Nov. 25.—Arthur Mudd, New Jersey state director of relief, has announced the inauguration of a life insurance advisory service and the appointment of Peter Plantinga, former head of the ERA Life Insurance Adjustment Service, as department adviser. Mr. Plantinga's services will be available to those municipalities receiving state aid which desire advice upon problems concerning life insurance held by relief clients.

"I did an 'unselfish' thing. But in the end... I was sorry. My husband was a professional man, and his income came entirely from his work. He used to say to me, 'The only asset I have is in my head—if anything ever happens to me things are not going to be so pleasant for you.' So he developed a keen interest in life insurance. He bought it when he could, as his income grew. But we had to deny ourselves to pay for it, and sometimes I didn't feel right about it. One day he told me his life insurance agent had worked out a new arrangement to give me an adequate monthly income for life, in case of his death, and in addition to provide for the education of our children. I asked him how much more this new plan would cost. He told me—and I told him I didn't want him to do it. He finally gave in. I thought at the time that I was doing it for his sake. Sometimes I wonder if I wasn't at heart more interested in increasing our standard of living than I was in lightening his burden. But that doesn't make any difference now. He was killed by a drunken driver not long after that. He left about \$20,000 in life insurance. Paid as a life income, this gives me about \$90 a month. My



daughter went to work when she graduated from high school. I think she's fairly happy— young people can be that way. My son is going to try to work his way through the university. That's not as easy as it was a few years ago. This is not what my husband wanted. His greatest desire was to provide for me, and to provide an education for our children. I'm always going to be sorry that I made it impossible for him fully to realize that desire." A woman need not feel that it is her "unselfish" duty to object to wise, carefully considered purchases of life insurance. Usually a man's deepest pleasure is to provide for his wife and children—during his life, and after his death. The Northwestern agent uses a new "Chart Plan"—a simple, accurate method of finding your true life insurance needs, and of covering them

Northwestern National Life Insurance Company
O. J. Arnold, President
Minneapolis, Minnesota
STRONG LIBERAL

Insurance on Crops Stirs Interest---and Skepticism

WASHINGTON, Nov. 25.—Not for the protection of the farms which they own, but for the sake of stabilizing the farm situation and averting foreclosures, life company farm mortgage officials are considerably interested in the federal government's proposal for crop insurance.

Many officials are frankly skeptical that any plan can be worked out which will insure crops against all of the various hazards. As far as the life companies' farms are concerned, insurance is of no importance, since their holdings are diversified enough so that the companies can better afford to be self-insurers than to go in on a crop insurance scheme.

Would Curb Foreclosures

Where crop insurance would be helpful to the life companies would be to prevent foreclosures of farms upon which they hold mortgages which the owners otherwise would lose because of crop failures if there were no

insurance. Crop failure is not the only factor in causing foreclosures, although it amounts to more during normal times than in depressions, when the low prices of farm products bulk larger.

Another angle to the avoidance of foreclosure would be to give more assurance that farms being purchased on the instalment plan from life companies would remain in the hands of the new purchasers and would not be thrown back on the company's hands in the event of a crop failure. Many of these farms are being bought from life companies on a relatively small down payment when the company has faith in the industry and integrity of the buyer. A disastrous crop failure, uninsured, could not be absorbed by this type of buyer, no matter how hard-working or honest he might be.

Nothing specific enough to enable life company farm loan officials to make up their minds on the merits of crop insurance has come out of the federal department of agriculture. Secretary of

Agriculture Wallace has recently indicated that the government is going to proceed cautiously on crop insurance and only with the definite approval of the farmers themselves.

One difficulty appears to be with getting the program accepted by the farmers. Indications are excellent for 1937 crops and farmers generally seems to feel that they would rather take their chances on reaping all the benefits rather than hedging by any insurance scheme. Another difficulty is the basis on which to insure. If too low a percentage of the normal crop is the basis, the farmer will not be interested, because he faces the prospect of paying his annual premiums for a long time, while it may be years and perhaps never before his crops will go below the specified minimum, which must be reached before insurance applies. On the other hand, if too high a basis of yield is adopted for insurance purposes, the premium will have to be so high that it will be prohibitive for the average farmer.

Farm Tenancy Measure

The farm tenancy measure, which failed of passage at the last session of congress, has been cut from \$500,000,000 to \$50,000,000. The purpose of this fund is to help tenants buy the farms which they are at present renting. This would be of interest to life companies as many of their tenant farmers are hardworking and ambitious men who, with a little help, should be able to buy the farms which they are working.

It has been suggested that the tenancy relief proposal may be used to a considerable extent as a means of bailing the government out of some of its Federal Farm Credit Administration loans. This practice would not be considered unsound if reasonable discretion were used.

Improved prices of farm products now appear to have more than offset the drought effect. Since the drought broke around the early part of September, there has been good rainfall in the main agricultural areas and winter grains are in fine condition, with an excellent outlook for 1937. Pastures are also in good condition.

Establishment of University Course Viewed at Madison

MADISON, WIS., Nov. 25.—Establishment of an insurance professorship at the University of Wisconsin, which is being sponsored by the Wisconsin State Association of Life Underwriters, was discussed by Prof. F. H. Elwell of the university's economics department at the annual sales congress sponsored by the Madison Association of Life Underwriters. He spoke on "The University Looks at Life Insurance Education."

Men selling life insurance are in reality selling the romance of the dollar bill, Lynn S. Broadus, Chicago manager for the Guardian Life, told the congress in discussing "The Agent." He pointed out that life insurance is the only business that cancels a person's indebtedness in the event of death.

Other Speakers

Robert Hesse, general agent Lincoln National Life and president of the local association, presided at the congress at which other speakers were C. W. Schroeder, Equitable; A. J. Dyer, Bankers Life; Bud Small, Lincoln National; A. M. Mikelson, New York Life; M. J. Dreyfus, Mutual Life of New York; C. R. Ingebritsen, Central Life, and Dewey Edson, Northwestern Mutual. Outside speakers included M. F. Schwinn, Beaver Dam, Wis., Northwestern Mutual Life, and Tyler Sawyer, Milwaukee, Mutual Benefit.

Frank Horner, general agent Northwestern Mutual, spoke at the banquet as did Harry Stuhldreher, athletic director University of Wisconsin, who said one of the most important qualities of good life insurance salesmen and good football players is a thorough knowledge of fundamentals.

Arkansas Committees for Commissioners Convention

GENTRY THE OFFICIAL HOST

Plans Are Laid for the Big Gathering of State Officials at Hot Springs

LITTLE ROCK, ARK., Nov. 25.—All plans are now completed for the mid-winter meeting of the National Association of Insurance Commissioners to be held at Hot Springs, starting Dec. 7, during which day there will be committee meetings. The general meeting will be the next two days. Commissioner U. A. Gentry of Arkansas is the official host. Ernest Palmer of Illinois, president of the association, will preside over the deliberations with J. G. Read of Oklahoma City as secretary. J. Gilbert Leigh of Little Rock is chairman of the local arrangements committee, being assisted by H. L. Thomas, vice-chairman; R. M. Williams, Maj. M. J. Harrison, J. R. Donham, president Arkansas Association of Insurance Agents, and A. D. Dulaney, all of Little Rock.

Arkansas Committees

The other committees are as follows: Reception—Allan Kennedy, Fort Smith, chairman; John E. Felker, Rogers; Pinchback Taylor, Pine Bluff; M. C. Hickman, Hot Springs; R. H. Cornelson, D. Burgauer, D. O. Sims, and Ed Walsh, all of Hot Springs, and Allan Gates, Elmo E. Walker, Clyde Lowry, Louis Kindle, Louis Rosen, G. M. Lamberson, Robert Stark, F. A. Vineyard; T. P. Beasley, J. O. Langley and J. W. Dodson, all of Little Rock.

* * *

Finance—M. Leigh, chairman; Ralph McClurg, J. K. Shepherd and H. H. Conley.

* * *

Entertainment—J. K. Shepherd, chairman; Elmo E. Walker, Geo. Vinson-haler, Clyde Lowry and S. Major Dent of Little Rock, and W. N. Overstreet and S. T. Douglas of Hot Springs.

* * *

Ladies Committee—Mrs. M. J. Harrison, Mrs. U. A. Gentry, Mrs. H. L. Thomas, Mrs. Elmo Walker, Mrs. C. E. Lowry, Mrs. D. R. McClurg, Mrs. G. M. Lamberson and Mrs. Louis Kindle of Little Rock, and Mrs. W. T. Wotton and Miss Lillian Newman of Hot Springs, and all women engaged in the insurance business.

* * *

Registration—W. F. Lake of Hot Springs, chairman; C. C. Mitchener, Marianna, and Eric Rogers, Jonesboro.

* * *

Transportation—Douglas Hotchkiss, Hot Springs.

* * *

Publicity—R. C. Stark, Little Rock, and Miss Alta Smith, Hot Springs.

ENTERTAINMENT AT ST. LOUIS

ST. LOUIS, Nov. 25.—President L. A. Harris of the American Automobile of St. Louis and President W. W. Head of the General American Life of that city together with their official associates have arranged for a dinner in their city Dec. 6 at the Racket Club for insurance commissioners and their staffs together with all camp followers en route to the convention at Hot Springs. Dinner will be served at 7:30 in the evening. Superintendent O'Malley of Missouri will act as official host. Plans are being consummated to entertain the visiting ladies at some other place.

Johnson Edits Publication

J. S. Johnson of the General American Life's publicity department, will serve as director of publicity for the young men's division of the St. Louis Chamber of Commerce and will edit the group's publication, "The Flash." In the past he has handled radio publicity for the division.

OVER 5,000 WEEKS

The App-A-Week Club of The Midland Mutual Life now has 67 qualified members who have produced consecutive weekly applications aggregating more than 5,000 weeks.

At the end of each quarter, App-A-Week Members are awarded prizes which may be taken in cash or applied to the wholesale purchase of articles numbering more than 500 and listed in our App-A-Week Prize Book.

Mr. S. L. Yochum, Camden, Ohio, has been a member of the App-A-Week Club for 12 years, 7 others average three years, and 27 additional workers have been members for one year or more.

App-A-Week membership assures steady production and ultimate success in life underwriting.

THE MIDLAND MUTUAL LIFE INSURANCE CO.
Columbus, Ohio

Suburban Building Boom Is Investment Channel

NEW YORK, Nov. 25.—What is easily the country's largest building boom, perhaps exceeding all other residential activity combined, is quietly going forward in Queens County, a suburban section of New York City, and offering a substantial investment outlet to life companies which go in for such Federal Housing Administration guaranteed mortgages. It also furnishes a line on the type of houses and the extent of operations that are competing with dwellings owned by life companies and other institutions as the result of foreclosures.

The houses are mainly one-family dwellings, averaging around \$5,000 including the land. While \$5,000 may seem like an unbelievably low price for a dwelling in New York City, those who have looked over the houses say they are attractive and amazingly good values for the money. The builders have sought to get their profit from a large number of houses and have been satisfied with a small profit on each house. The use of standardized plans has also cut down expense.

Financing by FHA

With few exceptions all of the houses in the hundreds of developments in Queens are financed by the F. H. A. The guaranteed mortgage companies, which in the old days would have financed most of this type of building are now out of business. The life companies and savings banks cannot lend the 80 percent of valuation which the F. H. A. can offer and so cannot compete in the direct lending except in the unusual case where the buyer wants to put up a large cash payment or prefers to deal with a private institution rather than a governmental agency.

According to the Mortgage Conference of New York, more than 11,500 houses have been built or are on the way. Of these more than 4,000 have been built and sold. The houses are all of the conventional type, the "prefabricated" house not yet having made an appearance.

Price Distribution Shown

A survey made earlier this year by the Mortgage Conference shows the following price distribution of 3,697 new one family houses in Queens county about which the price information was obtainable:

Price	No. of Houses
Below \$3,500	131
\$3,500-3,999	213
4,000-4,499	273
4,500-4,999	879
5,000-5,499	705
5,500-5,999	695
6,000-6,499	413
6,500-6,999	171
7,000-7,499	49
7,500-7,999	71
8,000-8,499	24
8,500-8,999	40
9,000—and over	33
	3,697

Sales are made on the usual F. H. A. terms of 20 percent cash and an 80 percent mortgage amortized by monthly payments over 20 years. The monthly payments by the purchaser include an allowance for taxes and water and fire insurance. These usually total about \$10 per month for \$1,000 of mortgage. Assuming that payments of \$40 a month on the usual \$5,000 house and allowing about \$10 more a month for heating, the owner's total cash outlay is only about \$50 per month for a six room house after the initial 20 percent payment is made.

It is believed that the present extremely active demand for these houses will continue as the prices make them a practicable solution to New York's tenement house problem. It has always been considered that it would be necessary to provide housing at \$5 per room

per month in order to get people out of the tenements and that this figure would be possible only through federal subsidy. A cash outlay of \$50 per month for a six room house is between \$8 and \$9 per room and about \$3 of the per room figure is amortization, so that the outlay which is not going toward the purchase of the house is not much more than \$5 per room per month.

The real property inventory which was made as a W. P. A. project showed that there are some 200,000 families living in Manhattan, Brooklyn and the Bronx paying from \$7 to \$10 a room in rent. This makes the houses in Queens and comparable dwellings elsewhere in the New York area highly competitive with the tenements. A \$5,000 house may fall somewhat short of one's dream of what a home should be, but it is vastly better than any tenement house. Many are located within the 5-cent or 10-cent fare limits from the center of the city.

What effect the prefabricated house,

the type of dwelling that is manufactured in a large plant on a mass production basis and then shipped to the buyer's property to be assembled, will have is still in the future. Backers of the prefabricated house say that with sufficient volume they could undersell even the lowest cost housing now existing and give additional advantages in the way of durability and fire-proof qualities. They are also developing prefabricated houses with a more conventional appearance, including slanting roof instead of the flat type which has always been a characteristic of the modernistic type of house.

While American buyers are always eager for the latest contraptions in interior devices, they have not shown at least in the class which would buy the lowest class houses, much enthusiasm for the strange looking box-like, flat-roofed structures which they have been told was the house of the future.

Concessions in Appearance

Just as the automobile manufacturers have had to move slowly in getting public acceptance of true streamlining, and are still a long way from it, so may the prefabricated house manufacturers find that they will have to give their buyers a modernistic house that looks like an old fashioned one if they

are going to get the mass acceptance that they need for economical production.

From the mortgage lender's standpoint, the prefabricated house would have certain advantages, particularly the fact that with a high degree of standardization and with a knowledge of the maker's reputation, there would be little difficulty in passing on the value of the structure.

Cost of Printing Offsets

Savings in Interest Cut

One of the life companies that has been paying about the highest interest on funds left on deposit recently considered reducing the allowance by ¼ of 1 percent. This company contemplated no change in its dividend scale, but changing the rate of interest allowed on funds would have necessitated reprinting the dividend book. It was found that the saving that would be made by reducing the interest rate would be entirely offset by the expense of reprinting the dividend books. This is a company with about \$150,000,000 insurance in force.

Get **Reducing Your Taxes**, 50-page booklet, 50 cents. Order from National Underwriter.



$$2 \times 2 = 4$$

Just as surely when our sales plans are presented effectively, one man in seven buys—

And we can tell you many other things you do not, but ought to know about your work and your business.

We offer:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plans,—Sales Talks
8. Unusually effective selling equipment.
9. Policies of all kinds: Regular—Juvenile—Women—Group—Payroll Savings, etc.
10. Monthly Premiums.
11. A Mutual Company 57 years old—an understanding cooperative Home Office.
12. Not too big to know you,—big enough to command respect everywhere!

Our booklet "FACTS" will be sent on request

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

SAINT PAUL, MINNESOTA

Better Death Rate Shown by Non-Scheduled Flying

WASHINGTON, Nov. 25.—Improvement in the death rate for miscellaneous flying, which includes all aviation except scheduled flights, for the first six months of this year, is indicated by figures just released by the Department of Commerce bureau of air commerce. In the period covered by the report there was one passenger fatality for every 1,012,612 miles flown as against one for every 812,106 miles in the same period of 1935.

Including pilots and other employees, as well as passengers, there was one fatal accident for every 619,951 miles flown in the first half of this year, as against one for every 496,718 miles in the first half of 1935. These figures constitute a new record.

Not Homogeneous Group

While these figures appear to indicate improved conditions from an insurance point of view, not much reliance can be placed upon them, first, because they represent too short a period of time, and second, because they cover too many types of flying, such as private flying

schools, photographic and advertising flights, chartered plane service, and private flying.

Without further breaking down the figures according to these classifications, it is impossible to say whether there has been a genuine improvement, whether there has been improvement in one or more classifications, or whether there has been merely an increase in the less hazardous types of flying and a decrease in the more hazardous, without any significant change in the fatality rates for the various classes.

Some Increase in Miles Flown

The number of miles flown in the first six months as compared with the same period of last year was 41,517,085, or slightly more than an increase of 1,000,000 miles. This relatively small change is due in considerable part to the tendency of hired plane service to decrease as scheduled air line services are extended. This decrease tends to be made up by an increased amount of photographic and advertising flying, but these

latter services do not account for any extended amount of mileage, as compared with the chartered plane service.

The number of air fatalities is so small, either in scheduled transport flying or miscellaneous flying, that about a two-year period is the shortest that can be relied on as indicating a trend, either favorable or unfavorable. For example, assuming that there are about 40 passenger deaths per year, an exceptionally favorable six month period might show only 10 deaths. Yet the next day after the figures had been compiled, a transport plane might crack up, killing 15 passengers, which would make any conclusions previously drawn appear ridiculous.

New Los Angeles Office of N. Y. Life Is Most Efficient

LOS ANGELES, Nov. 25.—The new quarters of the South Pacific Clearing Office and Los Angeles branch of the New York Life, located in the Pacific National building, are extremely efficient from the standpoint of the public as well as the agency force. The clearing office on the sixth floor is maintained for policyholders to pay their premiums and the card files are located in the center of the floor readily accessible to any one in the office with a minimum of time. A long counter has been built of Philippine mahogany with open window spaces so each client can converse with the clerk without interference. On the same floor a separate counter is maintained for agents so they will not interfere with or take up the time of clients. The medical office is also established on this floor in charge of Dr. Chase and his staff with two laboratories.

Floor for Agency Force

The fifth floor is given over entirely to the agency staff, being subdivided into small grouped offices, most with not over four desks. Each group is made up of men whose production runs the same—for instance, the \$50,000 a year men will office together, \$100,000 men, the same, etc. The agency organizers, and cashier for the handling of first year premiums brought in by the salesmen on applications are on this floor. The entire scheme has been worked out, taking into consideration ideas of the agents, agency organizers and clerical help with the view of creating the greatest efficiency and quick handling of all affairs.

United States Supreme Court Will Review Haworth Case

The United States Supreme Court found for the Aetna Life in which it asked for a review of its dispute with E. P. Haworth of Kansas City regarding his refusal to pay premiums on his life insurance on the ground that he is totally disabled. He has \$40,000 life insurance in five different policies.

The case was brought by Aetna Life under the federal declaratory judgment act. The circuit court of appeals for the eighth circuit found against the company holding no actual controversy was involved. Mr. Haworth had brought no suit to secure the benefits he claimed.

States General Question

The company then asked the Supreme Court to take a hand, stating the general issue is the question "Whether a party to a contract charged with liability thereunder and harassed with claims considered unjust, may, as in England, obtain a declaration of his non-liability of privilege (absence of duty), a declaration that the claims are unfounded, and a declaration that, as the petitioner, (Aetna), asserts, the contract is no longer in force by reason of defendant's breach and that hence petitioner is free from the obligations claimed against him under the contract."

U. S. Chamber's Insurance Committee Is Given Report

WILL BE DISTRIBUTED SOON

Study of Changes and Trends in Workmen's Compensation Legislation Is Recommended

The insurance committee of the U. S. Chamber of Commerce held its first meeting in New York City, at which a report on the survey of special state insurance taxes, licenses and fees which is now being made by the insurance department was received. The survey will be printed and distributed in the near future.

The committee recommended a study be made of the changes which have been enacted during the past few years in workmen's compensation legislation. Later it is proposed to issue a bulletin showing the trends in workmen's compensation legislation. The resolutions dealing with insurance subjects which were adopted at the last annual meeting of the chamber were reviewed. Consideration was also given to the program of activities of the department for the year 1936-37.

Fire Prevention Report

A report on the fire prevention activities as well as the health conservation program of the chamber was received. Other subjects which will be considered during the year include a re-statement of the chamber's position with respect to valued policy laws, the proposed United States-Mexican treaty with regard to return of stolen automobiles and insurance provisions of the federal motor carrier act.

Following are the members of the chamber's insurance committee:

John C. Harding, chairman, vice-president Springfield Fire & Marine, Chicago; Justin Peters, vice-chairman, president Pennsylvania Lumbermen's Mutual Fire, Philadelphia; Oliver R. Beckwith, counsel Aetna Casualty & Surety, Hartford; S. Bruce Black, president Liberty Mutual, Boston; Hovey T. Freeman, president Manufacturers Mutual Fire, Providence; Leroy A. Lincoln, president Metropolitan Life, New York; Frank W. McAllister, general counsel Kansas City Life, Kansas City; Julian S. Myrick, Ives & Myrick, Mutual Life, New York; Charles R. Page, vice-president Fireman's Fund, San Francisco; Harry Scherr, Vinson, Thompson, Meek & Scherr, Huntington, W. Va.

In addition to members of the committee there were also present at the meeting Harper Sibley, president of the chamber, and Lee J. Dougherty, president of the Guaranty Life of Davenport, a director of the chamber.

Three Years for Wildcat Promoter

INDIANAPOLIS, Nov. 25.—Glen M. Cochran of Anderson, Ind., operator of alleged fraudulent non-profit insurance associations, was sentenced to three years in federal prison at Atlanta, after being found guilty by a jury in federal court of using the mails to defraud.

Cochran formed his first organization in 1930, the Mutual Eastern Benefit Association of Paris, Ill. In 1933 he abandoned that name and transferred the members to the newly organized Capital States Prudential Association of Anderson. In 1935 that association was dissolved and the members transferred to the Farmers & Merchants Mutual Life Association, incorporated in Delaware with headquarters in Nashville, Tenn.

T. M. Simmons, former manager of United States agencies Pan-American Life, and now a personal producer, gave the chief talk at the opening of Birmingham's annual community chest campaign.

Are You Interested In:

• Liberal Policy Forms?

Guarantee Mutual policies are unrestricted, except to conform to Insurance laws and rulings.

• Low Participating Rates?

Less than a half dozen American companies are as low. Check your compendiums.

• A True Dividend Schedule?

As nearly true and equitable as is possible to create. Has not been reduced since adoption four years ago.

• Low Net Cost?

Few American companies can equal the low net cost of Guarantee Mutual policies.

If we have ALL of the above features to offer, PLUS a place to use YOU—if you are above average and there is a reason for you to be interested in a liberal General Agents contract—tell us your complete story.



Direct your letter to
A. B. OLSON, Manager of Agencies

**GUARANTEE MUTUAL
LIFE COMPANY**

OMAHA, NEB.

Organized 1901

LICENSED IN TWENTY-FIVE STATES AND THE DISTRICT OF COLUMBIA

Shows Opportunities for Sale of Business Covers

SMALL CONCERNS GOOD FIELD

L. G. Simon, Equitable of New York, Speaks at Meeting of Cincinnati Underwriters Group

CINCINNATI, Nov. 25.—Present day opportunities for the sale of business insurance were pointed out by Leon Gilbert Simon, Equitable Life, New York City, business insurance authority, in an address before the Cincinnati Life Underwriters Association. Mr. Simon said that the undistributed profits tax created an excellent market for life insurance because corporations would be able to bolster their surplus when a key man of the organization died. The increased stockholders' dividends and wage increases announced by many corporations are also stimuli to the sale of business insurance, Mr. Simon asserted, which he defined as "life insurance adapted to meet the needs of the business world."

Many agents hesitate to present business insurance to small concerns because they feel it is something only for large organizations. A survey made by three companies in a large city showed that the average business insurance case was \$3,800, indicating that almost any small business is a prospect.

Value of Cover

"Is your business insured against business interruption?" is an interest getter that Mr. Simon frequently uses as an opener. Frequently business insurance is carried to compensate for the loss of a valuable life and it enables a business to be carried on because competent men can be brought in from the outside to fill the deceased executive's place. Quite frequently there is a dearth of executive ability and it is necessary for the firm to go to outsiders to secure it, which business insurance enables it to do.

Not less than from 70 to 75 percent is sold to take over at death another partner's interest. Mr. Simon said it

is always good psychology to appeal to the prospect's acquisitive instinct—"the man before us is always the theoretical survivor."

Partners must always have a written agreement providing for the disposal of their interests. Mr. Simon said that the utility of the business insurance dollar was high because it is received in a condition of greatest monetary need. A dollar is worth 100 cents to a wife, 30 cents to a young man, \$5 to a widow, and \$9 to an old man.

"Don't Argue"

A business insurance agreement insures against the need for a business starting all over again. A prospect likes to do his own thinking; never argue with him, Mr. Simon advised. The appointment of a bank or trust company as corporate trustee is worthwhile and Mr. Simon referred to it as "a financial instrument empowered to carry out the letter of the law."

Inventory time in a business is equivalent to an age change and it is well to find out when it occurs. High cash values of business insurance policies saved many businesses in the depression.

If one partner is uninsurable, sell double insurance on a high premium basis, Mr. Simon suggested. There is a certain advantage in taxation for carrying a flat reserve for life insurance, but the formula is too involved for brief explanation, he stated.

The Cincinnati association is making a special effort to get its members acquainted with each other, members being seated by the months of their birth rather than by companies, which is usually the case. The seating plans for luncheon meetings will be changed from month to month. It is felt that with the members becoming well acquainted, a better feeling will be created in the business. There will be a greater interchange of ideas with agents of different companies sitting together.

Union Central Appointment

M. E. Brooks, manager Union Central Life in the Memphis territory, has appointed W. P. Brown assistant manager and J. Allen Creath, sales promotion manager. The new cashier is T. B. Jones. New district managers in Tennessee include A. T. Little at Jackson

and Sanford Garner at Covington; those in Mississippi include E. H. Cason, Greenville; T. H. Turner, Greenwood; C. P. Shelby, Clarksdale; A. L. Rogers, Jackson, and Nathan Levy, Vicksburg.

Illinois Department Gives Report on Pilgrim National

The Illinois department has made an examination of the Pilgrim National Life at 166 West Jackson boulevard, Chicago, as of Dec. 31, showing assets \$37,825, surplus \$9,057, premium income \$42,871, total income \$44,223, total disbursements \$38,360, insurance in force \$1,414,366, guarantee fund certificates \$27,150, new business \$1,611,289, business terminated \$1,066,884.

The department in commenting on the examination states that all agents must be licensed before soliciting busi-

ness. Advances made to officers and directors which are included in agents' balances should be liquidated immediately and the practice should be discontinued. All claims assumed on account of reinsuring mutual benefit associations must be settled strictly in accordance with the reinsurance contracts. The report says that administrative expenses are moderate but the agency and conservation expenses are high. Settlement of claims except those on certificates assumed from mutual benefits by reinsurance have been satisfactory.

It has taken over the Sterling Life & Casualty, Fairfield Mutual Life, Continental Mutual Benefit, All American Mutual Benefit, St. Clair Mutual Benefit, Service Mutual Benefit, Mutual Benefit of the First Christian church. The main factors are President J. W. Weldon, Secretary W. D. Hunnell and Auditor George L. Lutterloh. It is organized under the assessment laws and operates only in Illinois.



The Dependents

"We depended on him for everything, what will we do now?"

What a sorely perplexing question when death has taken the key-man of a little household.

Help your prospect to provide the practical answer in advance of the day of need.



The Prudential
Insurance Company of America
EDWARD D DUFFIELD, President
Home Office - Newark, New Jersey

New Ohio Managers Are Named



MYRON C. GRAFF



H. F. MOORE

The Bankers Life of Iowa has appointed two new Ohio agency managers, Myron C. Graff at Columbus, and H. F. Moore at Toledo. Both have been acting as supervisors in charge of the two agencies for several months and are now given the title of agency manager.

Mr. Graff joined the Bankers Life in 1935 as supervisor of the Kansas City agency. On Oct. 1, 1935, he was named

home office supervisor and placed in charge of the Bankers Life's Columbus agency.

Mr. Moore began his Bankers Life career as a salesman in the Toledo territory in 1923. He made a successful record as a salesman, winning a frequent place with the leaders of the Bankers Life sales organization. Last February he was appointed agency supervisor in charge of the Toledo agency.

Pension Trust Plan is Catching Fancy

(CONTINUED FROM PAGE 1)

of income tax on the employees' increased earnings.

The federal authorities undoubtedly are fully aware of the tax saving possible through adopting the pension trust plan, but it is believed are willing to make this further contribution to the cause of social security. Under most pension trust setups the result is that the government in effect will pay about one-third of the premium for the employees' pensions. The corporation under the proper setup can deduct the premium from its return for corporate income tax and also undistributed profits tax.

In brief, the pension trust plan contemplates formation of a separate trust for the employees' benefit which must have no connection with the corporation, but may have as officers some executives of the corporation. The ideal plan appears to be to have as trustees a director, an officer and an employee of the corporation.

Requirements Set Forth

The corporation deposits in the trust a sum sufficient to pay the premium on the employees' pension plan. Section 165 of regulations 86 of the Treasury Department in substance stipulates that this plan must be a stock bonus, pension

or profits sharing plan, and must be for the exclusive benefit of some or all of the employees.

Article 23, Paragraph 1, requires that the pension plan selected be a reasonable one and actuarially sound; that a pension trust be established to pay a reasonable pension to employees, and states that the corporation can deduct a reasonable amount from its income tax and undistributed profits tax return for the payment to the trust.

Sincerity Paramount Factor

Observers feel that any plan sincerely entered into by corporation executives for the benefit of employees, set up separately with the proper administration and under which no more money is set aside than sufficient to create an income for employees of from 30 to 50 percent of their average wages probably would be approved by federal authorities. It is stressed, however, that the basic consideration is sincerity of the plan and this should be demonstrated conclusively by complying with the regulations not only to the letter but also in the spirit.

In drawing the trust agreement great care must be taken to display and establish the fact that the plan is sincere in its purpose and not merely an

attempt to avoid tax to the corporation or its distributees. When so set up, life insurance men believe, it is in keeping with the objectives of the social security legislation.

In actual practice the plan may be based on the corporation executives' judgment as to what is a reasonable sum to expend for the pensions, within the corporation's financial means, perhaps making the amount of pensions an arbitrary one without distinction between employees in different salary brackets, or it may be calculated on a percentage of salary basis, the premium therefore depending upon the arrangement of age groups.

Illustration of Plan

In the case of a corporation having \$600,000 net income, the saving in tax through putting in effect a pension trust plan figures about \$9,217, total tax on the average setup being about \$119,000 as compared with more than \$128,000 if no pension trust plan is used.

The contribution to the pension trust for pensions of 30 percent to 50 percent of wages would be approximately \$30,000, leaving the income subject to normal tax \$570,000, on which tax on the first \$2,000 at 8 percent would be \$160, next \$13,000 at 11 percent \$1,430, next \$25,000 at 13 percent \$3,250, and the remainder of \$530,000 at 15 percent, \$79,500, or a total normal tax \$84,340.

In figuring the surtax, the normal tax is deducted from net income, as also is the contribution to the pension fund, leaving \$485,660 adjusted net income. Assuming a dividend payment to stockholders of about \$250,000, the gross to surplus would be \$235,660.

Surtax Calculation

The surtax applicable is: \$48,566 at 7 percent, or \$3,399; \$48,566 at 12 percent, or \$5,828; \$97,132 at 17 percent or \$16,512, and \$41,396 at 22 percent or \$9,107, a total of \$34,847. This is subtracted from the gross surplus leaving a net addition to surplus of \$200,812.

It is true in this illustrative case the corporation spends \$30,000 for employees' pensions and avoids a tax of \$9,217.50, thus appearing to be out \$20,782.50. But in view of the nation-wide demand for wage increases, it is believed this voluntary contribution to employees' welfare will be money well spent, earning loyalty and increased effort, and perhaps making unnecessary any wage increase for some time to come.

These plans require a great deal of detail work and preparation on the part of the life agent as well as precise knowledge of how to operate. However, each one offers a large volume of insurance and consequently involves big commissions.

Winter Meeting Plans for Insurance Advertising Group

The winter meeting of the Insurance Advertising Conference will be held Dec. 2 at the Hotel Lexington, New York City. Some of the larger companies have undertaken a new type of window display advertising which subject will be discussed.

As the number of insurance companies which are advertising nationally is increasing the best way to present their ideas to the public will be studied by the conference at this session. The proper method of constructing an advertisement will be discussed by a speaker who has made a recent technical study of advertising "layout."

A demonstration of the application of photographs for insurance advertising purposes will be among the features of the program.

In view of the consideration that has been given by advertising men of the insurance companies to the proper psychological approach to women concerning life insurance the editor of a leading women's publication will attempt at the luncheon to solve the feminine

Initial Difference



GEORGE H. HUNT

Due to an editorial error, the likeness of George L. Hunt, vice-president of the New England Mutual Life, was presented in the Nov. 13 edition and identified as George H. Hunt, superintendent of agencies of the Imperial Life of Toronto. Above appears the real likeness of George H. Hunt. He is the retiring vice-chairman of the Life Insurance Sales Research Bureau.

Ruling on Annuity Policies

Premium Tax Must Be Paid on the Several Classes of This Contract

A premium tax must be paid on several classes of annuity contracts, issued in Mississippi, according to a ruling by Attorney-General Rice, and a regulation issued by Commissioner Williams.

A summary of the opinion and regulations follows:

1. A survivorship or reversionary annuity contract which provides for the commencement of annuity payments upon the death of a specified person is an insurance contract within the meaning of the Mississippi laws, the consideration for which is subject to the premium tax imposed by Section 108, Chapter 20, General Laws of Mississippi, extraordinary session, 1935.

Definition Is Given

2. Any contract of annuity containing an agreement to pay upon the death of the annuitant any amount in excess of the difference between the consideration received and annuity payments already made, if any, with or without an interest adjustment, is an insurance contract within the meaning of the Mississippi laws, the consideration for which is subject to the tax imposed by the aforesaid statute.

3. All other life annuity contracts are not contracts of insurance within the meaning of the Mississippi laws and the consideration therefor is not subject to the aforesaid premium tax.

reactions to life insurance announcements.

Direct mail and selling aids for agents also will be among the several topics to be discussed at the group sessions.

The program will be under the direction of Charles E. Freeman, Springfield Fire & Marine, and R. E. Brown, Jr., Aetna Casualty & Surety.

Three-fourths of the accident and health companies have made great changes in their rates and policies. All information accurately given in the Time Saver. This comprehensive book only \$4. Write 420 East Fourth street, Cincinnati.

★ MODERN LIFE INSURANCE SINCE 1845 ★



STATISTIC

A figure sleuth has discovered that the average length of service of Mutual Benefit men (excluding new men) who attended the 1936 Agents' Convention was something over thirteen years. An analysis of the "composite man" of this group shows that he began his service shortly after the post war depression, made "good money" during the boom, had to scratch like the dickens for his commissions during the Great Depression, and, still working hard, is getting better results for his efforts in 1936. His thirteen-year service record is at once a tribute to his ability and industry and to the Company with which he is associated.

The
MUTUAL BENEFIT

LIFE INSURANCE COMPANY • NEWARK • N. J. •

Many Complications Seen in Modes of Settlement

CERTAIN POINTS DANGEROUS

Harold Carlson Discusses Problems Arising with Claims, at Meeting of Chicago Actuaries

Harold Carlson, assistant secretary and actuary of the Reliance Mutual Life, outlined the numerous legal considerations in the growth of policy settlement provisions in supplementary contracts, at the monthly dinner of the Chicago Actuarial Club. Mr. Carlson, who presented his topic in the form of a paper, went into great detail about the legal phases involved.

He outlined the rise of the optional settlement as contrasted to the lump sum payment, since 1890. He pointed out that much of this service to the policyholder and his beneficiaries is free and that agents emphasize the many modes of settlement available, so it is too late to back track now. In addition these methods of settlement have a great psychological value to the public in settling life insurance.

Changing Concept

He said a changing concept of the duties of life insurance companies has grown up during the past 40 years. The policy is not the sole contract, he pointed out, but it must take into consideration common law and the statutes of the various states. However, the law will try to facilitate enforcement of the contract, if this is possible.

In outlining the changes in the rights of the beneficiary and the policy maker, Mr. Carlson said that with the rise of loan and surrender values the assured has reserved many rights in the policy which he formerly did not possess and the rights of the beneficiary have weakened. However, the beneficiary still has a remnant of vested rights in the policy which is recognized. In cases where the assured has the right to change the beneficiary the better procedure would seem to be that either the consent of the beneficiary always be secured or the beneficiary be changed to the estate in every case where the rights a specific act is not reserved to the assured. He cited several cases to show the correctness of this stand.

He added that the courts have gone very far to give stress to actions of the assured intended to result in a change of beneficiary, even though the change has not been completed as required by the policy, especially where the beneficiary has prevented consummation of the change. However, since the courts tend to protect a natural insurable interest, the proper procedure for the company in case of dispute is to pay the proceeds into court and require conflicting claimants to interplead for the proceeds, and thus avoid double payment.

Outlines Other Changes

Mr. Carlson also discussed the changes that have taken place since establishment of the fact that a life policy is not a contract of indemnity but an agreement or contract to pay money in the future upon occurrence of a stipulated event.

This has brought into question several points involved in the right to assign a life policy. Assignment of a policy where the assignment is not recorded by the company, if the policy requires such recording, is valid against the assured but not against the company where it has no notice. It is very important the company have a change of beneficiary made or that the beneficiary join in the assignment, however, since cases were cited to show the beneficiary still has a right under the policy even though the right to change exists.

A United States Supreme Court case was cited to show that unless the assignment was made for wagering purposes, an assignee under an absolute assignment is entitled to the whole pro-

ceeds of the policy and it is not questioned that the assignee for interest can collect the entire amount. He said it is clear that transfer of the present rights under the policy to the original beneficiary and the assignee is non-testamentary in nature. Not only are present rights conveyed but the policy proceeds are never the property of the assured since the insurance money is not due until after he is dead; hence there is no passing of property from the assured to the beneficiary on death of the former.

He pointed out that these arguments are not applied to surrender values or proceeds of endowment policies left with the company under supplementary contracts. Naming of a beneficiary under such contract to take after the death of the assured appeared to be testamentary in nature.

However, rights of a contingent beneficiary where the original beneficiary survives are not so clear. The contingent beneficiary has no apparent rights until the death of the primary payee, if the latter has had the right to withdraw proceeds of the policy. Thus there is an interest passing to the contingent payee on the death of the primary beneficiary.

Life Insurance a Trust

When a contingent payee is named by the assured and the primary beneficiary has no right to take any of the proceeds of the policy, the arrangement is in the nature of a trust. However, there is considerable confusion on this point since a life insurance settlement agreement cannot definitely be said to be a trust. Mr. Carlson added that courts have thrown little light and much confusion on the subject by using the word "trusts" very freely in their decisions. He says the best current opinion on the question appears to be that courts will uphold provisions in supplemental agreement which would be upheld if there were similar provisions in a valid trust agreement. He cited cases to prove this point.

Mr. Carlson said it appears that the assured can designate contingent payees and restrict the powers of the primary beneficiary. However, this power varies considerably in different states. He said also that in connection with naming several beneficiaries in succession the rule against perpetuities must be considered, which he said declares that no provision may be included in which free disposal of all of the properties is prohibited for a period longer than 21 years and 10 months after a life or lives in being. This will be interpreted to mean lives in being at the time the contract is made.

Since unlimited accumulations have been declared contrary to public policy, the companies and the insurance should consider this when proceeds are to be left at interest. However, this does not prevail when the accumulation is for the benefit of some minor until he reaches his majority.

Try to Obey Wishes

He cited cases to show how the court would generally interpret the settlement agreement, such as supplementary contract, to give expression to the declared intent of the parties to the contract, if this is at all possible. In concluding his paper, Mr. Carlson outlined a few rules to remember in drawing beneficiary designation in supplemental agreements, saying simplicity is the best protection the companies have against legal expenses at the time of claims.

He said: First, if possible do not permit names of contingent payees other than the estate of the primary beneficiary; second, if contingent payee must be named, do not give the primary beneficiary the right to commute or change contingent payees; third, when the first taker must receive the right to commute or assign or change contingent payees, it should be specified that this may be done only with the consent of the second taker; fourth, when contingent payees are named the company should insist that they be close relatives because courts in final analysis

BUREAU OF LOST POLICYHOLDERS

The Ohio insurance department has established what it calls the "Bureau of Lost Policyholders." This was started for the purpose of locating and paying "lost policyholders" amounts varying from \$2 to several thousand dollars. Frequently life companies find that mail is returned and policyholders cannot be reached. They may have equities and probably are not aware of it. This usually comprises paid up additions, funds left with the company, matured endowments, etc. Superintendent R. L. Bowen communicated with the companies operating in Ohio asking them to send him a list of policyholders in the state to whom money is due giving the name, last address and any information they have concerning the amount. The bureau has compiled a list by counties alphabetically arranged. Often it is

found that policyholders have died and the beneficiaries cannot be reached. In Cuyahoga county, O., for instance, there are over 600 names already in the file where money is waiting for someone to receive it.

Superintendent Bowen commenting on the departure says: "The advantage in having the bureau in the insurance department is that we will act as a clearing house if any person suspects that some relative or friend is entitled to the benefits under a policy and especially in cases where the policies have been destroyed and lost and where the name of the company has been forgotten. In cases of this kind the alphabetical list will include the lost policyholders of all companies, so that any person inquiring will be saved the expense of addressing a letter to each company licensed in the state."

The department only announced a couple of weeks ago that it had established this bureau and already inquiries are coming in. The department has made duplicate cards and sent to each life underwriters association in the state a list, there being 18. The life men are asked to make inquiries as they go around.

will examine the agreement to see if the natural insurance purpose is being served.

H. C. Reeder, president, presided. The club also dispatched a note of condolence to the widow of R. M. Brown, Continental Assurance, who died recently.

NOVEMBER
1936

Born
May, 1936



SMALL—as to cost

BIG—as to protection

Sales of the Minute Man policy are steadily increasing

The COLUMBIAN NATIONAL
LIFE INSURANCE COMPANY

HOME OFFICE
BOSTON - MASSACHUSETTS

A NEW ENGLAND INSTITUTION

EDITORIAL COMMENT

Refreshing Note Is Discerned

THERE is a refreshing note of encouragement in the action of the business men of Rome, Ga., who through a citizen's committee propose to write \$1,000,000 or more of insurance and place it on the books of the STATE MUTUAL of Rome at no cost to the company, in appreciation of what JOHN M. GRAHAM, GASTON GARNER and their associates have done in reorganizing the company.

Years ago the STATE MUTUAL of Rome was the most talked of company in the south. It wrote tremendous amounts of business under a special contract scheme and the feeling of patriotism to southern institutions was cashed in on to the last degree. Then the company went on the rocks because of extravagant management and bad investments, but instead of going out of business entirely it was taken over for rehabilitation by the Georgia insurance department, which patiently and economic-

ally worked it out of its troubles and recently placed it back in the field, with headquarters in its old city of Rome, as a going concern.

The STATE MUTUAL of Georgia is one of the best examples of what may be accomplished by state insurance departments in taking over and administering companies which would otherwise go through a long course of receivership for which the already hard-hit policyholders would have to pay.

Not long ago the Ohio insurance department took over the FEDERAL UNION LIFE of Cincinnati on a plan somewhat similar to that of the STATE MUTUAL and moved the company to Columbus where it could be under the immediate eye of the state department officials. It is to be hoped that a similar work-out of the business may be accomplished in this case, for the sake of policyholders.

Making Appeal to Women

GEORGE L. HUNT, vice-president NEW ENGLAND MUTUAL LIFE, who is chairman of 1937 Life Insurance Week, believes that one of the big objectives is to make women more life insurance conscious than they are now. In the past, especially some years ago, women as a whole opposed life insurance, probably feeling that it brought up the grim spectre of death and next because they looked upon it as an outlay or expense, and as such it meant one more slice off of the family budget. However, women have taken a much broader view but even yet they can do a great deal more

in encouraging their husbands or other near relatives to keep their insurance up. The lapse factor might be greatly improved by getting more effective co-operation from the women in the family. Employed women or those with independent income more and more are appreciating the fact that their best security is life insurance. They are interested in providing for the future, largely an income that can be relied upon.

Chairman HUNT therefore has a very practical objective that certainly can be attained.

Seeking the Forgotten Prospects

ATTENTION has been called to the fact that life companies seem to have geared their producing machinery to the industrial classes, writing insurance on the weekly payment plan, or seeking the large buyers of insurance, those in the brackets of \$10,000 or better. In days gone by the large purchasers of insurance were very much in evidence and we had men capable of consorting with them, studying their needs and having the ability to program their insurance accordingly.

It would seem now that there is a field that while not being neglected, is not being studied as it should from a production standpoint. We refer to that domain which at present might be called no man's land between the industrial and the large buyers of insurance. There are hundreds of thousands of people that are able to buy up to \$5,000 of insur-

ance. Therefore it seems to us that the situation with regard to these people should be studied and means should be more carefully provided for appealing to this class.

In the past, the monthly payment plan has not been popular with the companies. It offers 12 times the opportunity for lapsing as does the annual payment policy. It is more expensive to handle. The bookkeeping is more exacting. In these days people are budgeting their outlay on the monthly basis.

They are buying most articles on budgeted expense and that is adjusted on a monthly basis. Therefore life insurance should adjust itself to these changing times and customs. Those dealing in tangible goods have long recognized this fact. They have appreciated the fact that large numbers of people are able to buy luxuries provided

they can be financed over a period but they do not have the ability to save enough money to make the purchase in a lump sum. The time has come, it seems to us, when life insurance should recognize this new condition or rather this situation that has been in existence for some years.

Monthly premium departments for bases of premium payments therefore should be established but the loading should be sufficient to carry the extra

expense. If monthly premium payments are to be made popular, then this department should carry itself and like some other departures in life insurance should not become a drain on the exchequer. As we see it, there is a great opportunity for companies now to study and plan for getting business on the monthly payment basis. It requires probably a slightly different gearing of the machinery but that now should be done.

PERSONAL SIDE OF BUSINESS

Rollo H. Arnold of the Harold A. Miller district agency of the Mutual Life of New York at Council Bluffs, Ia., ranked No. 1 in paid-for number of lives for October among the more than 8,000 agents of the company.

Although he produced 26 applications for \$61,500 in a 20-day contest celebrating his 20th anniversary, Louis S. Silverman was unable to meet his challenge of producing three to one applications against the rest of the force of the W. A. White agency of the John Hancock Mutual Life of Newark. The rest of the force produced 37 apps for \$194,000. A luncheon celebrating the event will be held Nov. 28.

The Provident Mutual Life in its 1937 calendar will have reproductions of 12 early American prints in full color. Some, for instance, will be Boston Harbor from City Point; Kansas City in 1855; Cincinnati in 1855; steamboat race on the Mississippi; San Francisco in 1849; Baltimore in 1830, etc.

The record of Sam Long, veteran Aetna Life agent in Milwaukee, was cited in a recent article in the Milwaukee "Journal." Mr. Long, who was 76 years old on Nov. 16, is claimed to be the oldest active insurance salesman in Wisconsin.

The article lauded him for having served the Aetna Life longer than any other of its 20,000 agents, for having written three generations of Milwaukee citizens in the last 47 years. The article referred to Mr. Long's Irish ancestry and said that "a bit of old Ireland still clings to you."

Norris H. Bokum of Bokum & Dingle, Chicago general agents of the Massachusetts Mutual, is still in the Presbyterian Hospital in his city where he has been confined for a number of weeks. He is now on the road to recovery and hopes to get back to his home in the near future.

Walter B. Fowlkes, 65, general agent of Provident Mutual Life in Birmingham, Ala., from 1917 until he retired in 1932 on account of ill health, died at his home at Marion, Ala.

"The best luck ever" was the verdict of L. C. Mersfelder, general agent at Oklahoma City for the Kansas City Life, upon his return from his annual deer hunt in the Rocky Mountains of New Mexico. Every year, Mr. Mersfelder makes a trip to the Rockies to secure venison for the annual deer dinner for his agency. This year the event is scheduled for Dec. 4, and will sup-

plement an all day agency meeting which several home officials will attend. This year's deer is a ten point buck, the largest ever killed by Mr. Mersfelder.

Frank Taylor, Tacoma, Wash., district manager Mutual Life, has been named president of the Tacoma Kiwanis Club.

Superintendent R. L. Bowen of Ohio, who was in St. Louis on official business, attended the luncheon meeting of the St. Louis Life Underwriters Association.

Ray A. Ferris, 57, former president of the Cleveland Life Underwriters Association, died at a hospital there. He had been ill since April. Mr. Ferris at the time of his death was with the Equitable.

Life Insurance Interests Merged at Kansas City

An important life insurance merger in Kansas City was announced recently by Sam C. Pearson, general agent for the Northwestern Mutual Life in western Missouri. Mr. Pearson is the father of Miss Marjorie Pearson, whose engagement to Charles W. Scott, son of Charles L. Scott, general agent for the Massachusetts Mutual, constitutes the "merger."

At the announcement party, the following extra was issued:

BIG "LIFE" MERGER.

Leading Stockholders in Executive Session.

CLOSE DEAL TODAY.

Announce New Policy of Permanent and Happy Life Assurance.

"Miss Marjorie Pearson, who holds control of the Northwestern Mutual Life, and Charles William Scott, who holds in the palm of his hand the destiny of the Massachusetts Mutual Life, have the pleasure of announcing to their friends that they have decided to cease competition and amalgamate their talents and efforts.

"Negotiations have been under way for some time, and, although many of those in close contact with the companies may have had some idea that the merger was planned, it was not until today that the principals themselves are divulging the new 'policy.'

"A later issue will carry full details of the actual time and place of the merger, and the location of the new home office."



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November 27, 1936

Life of Iowa. He was formerly with the New England Mutual, National Life of Vermont and the Massachusetts Mutual. He served as president of the Cleveland association in 1920 and 1921.

T. J. Pendergast of Kansas City, well known Democratic chieftain, who has been a patient since Sept. 13 in Menorah Hospital there, announces that he will request Governor-elect Stark to re-appoint Insurance Commissioner R. E. O'Malley.

U. A. Gentry, Arkansas commissioner, is in western Texas as a member of a deer hunting party headed by insurance commissioners and others from Texas and Oklahoma.

Heber J. Grant, founder of the Heber J. Grant & Co. agency of Salt Lake City more than half a century ago, head of the Utah Home Fire and the Beneficial Life, is celebrating his 80th birthday. He is the dean of Utah's insurance men and is in vigorous health for one of his age.

T. A. Crerar, who has been appointed as the Canadian representative to speak at the Association of Life Insurance Presidents in New York City, is a director of the Great-West Life. He is minister of mines and resources in the Canadian cabinet.

C. L. Jones, who has been transferred to Anderson, S. C., to become district manager of the Life of Virginia, was given a testimonial luncheon by members of the Cabarrus County (N. C.) Life Underwriters Association. The group presented Mr. Jones with a desk set.

N. E. McKay, life manager for the Travelers in Atlanta, will soon be able to leave an infirmary in Augusta where he has been confined following an automobile accident.

Crawford H. Ellis, president of the Pan-American Life, is chief joy dispenser of the Cheer-Up Club, which gives an annual Thanksgiving dinner to poor children and orphans in New Orleans. Last year the club fed more than 400.

Charles Chalmers, large producer for the New York Life in Atlanta and vice-president of the Atlanta Life Underwriters Association, is ill in the hospital with a severe case of bronchial pneumonia. He has been in a critical condition for a week.

Director of Insurance Ernest Palmer of Illinois will be the toastmaster at the annual "Feast of the Haggis" of the Illinois St. Andrew Society at the Palmer House in Chicago, Nov. 28. This will be the 91st annual grand assembly of the society. The haggis around which the feast will be centered, is being brought to this country from Scotland on the "Queen Mary" and will occupy a place of honor in the grand salon.

May Have a Cooperative

It is stated that the Prairie Wheat Pools of Canada are considering organizing their own life company. At the annual meeting of the Saskatchewan directors a resolution was passed recommending that necessary steps be taken in conjunction with the Manitoba and Alberta organizations. It was held that this should provide for a maximum amount of insurance at minimum cost. The insurance committee of the organization states that it does not have power under its present charter to use any of the organization funds to finance a life

Agent Futz Objects to Social Security Blanks

EIGHTY-FOUR, PA., Nov. 26.—Joseph Futz, enterprising insurance man, who was one of the enthusiastic workers for the new deal candidates during the campaign, is very much exercised over the demands made upon him by the social security board from the capitol at Washington. Mr. Futz received a blank requiring him to fill out all his employees or anyone to whom he paid "salaries, wages and commissions." As is well known, Mr. Futz who is very active in insurance, has a number of people to whom he pays a stipend for information as to those who might be insurance prospects. He pays from 25 cents up to \$1, according to the value of the information and whether the insurance can be written. In the neighborhood of Eighty-Four he has some 50 people of this character, and on taking two recent partners he has extended his list so that about 75 are being paid for information. Mr. Futz is required to list all these people and also supply them with blanks and forward the information to the President at Washington.

He has protested to Hon. Commissioner Hunt of Pennsylvania, stating that this is an outrage and unless it is repealed at once he will take it up with the Hon. Roosevelt at Washington. He declares that it is subversive of American freedom to call on him to pay taxes of this kind. Mr. Futz says, "Why does the government at Washington levy on me and cause me all this trouble when it can well tax the great corporations? It is time we called a halt and I believe Hon. Commissioner Hunt will get busy at once."

company. It recommends that in event such a company is formed it should be established as a subsidiary of the Saskatchewan Cooperative Wheat Producers.

Prisoner Can't Change Contract

No Missouri insurance policyholder confined in a penitentiary by virtue of a sentence lawfully imposed can in any

way exercise the prerogatives given him in such policy contract during the period of his sentence, according to an opinion by B. L. Holland, associate counsel Phoenix Mutual Life, in the publication of the St. Louis agency of the company.

Writes Noncancellable Policy

There have been many inquiries regarding the First National Indemnity of Omaha, which operates on the mail order basis and seems to be writing a wide-open accident policy, non-cancellable, for a \$13 premium. According to the Nebraska report this is an assessment accident outfit which last year had

total income of \$40,383 and disbursements \$39,060. Its assets are \$2,124 and its liabilities \$1,828. The year before its assets were \$667 and its liabilities \$1,020.

Investment Managers Confer

Chester B. Camp, assistant professor of economics at Butler University, spoke on "Present and Probable Trends of Interest Rates and the Outlook of the Money Market," at a conference of investment managers of Indiana life insurance companies at the office of the State Life of Indianapolis.

Quality Business

In its efforts to secure quality business Protective Life rewards its agents in various ways. Among these are:

1. 5% additional commission where the full annual premium accompanies the application.
2. Extra points in contests for "Cash with application" business; and prize awards for paid business only.
3. A "persistency bonus" to agents good renewal ratios.
4. 5% additional commission on larger than average policies.

Agents are constantly advised and encouraged to solicit business among people whose occupations show them to be in the higher brackets of persistency.

Protective
LIFE INSURANCE CO.
BIRMINGHAM, ALABAMA.
S. F. Claiborne, President

"From the Cradle to Retirement"

No. 11

The Need: Insurance for Employees

The Contract: Salary Savings Insurance

Written by Atlantic Life on standard plans of insurance issued to employees of organizations and members of their families, paid for on the monthly premium basis by deduction from payroll. This insurance is individually owned and may be continued by the employee if he leaves the business. The Salary Savings plan is an ideal way of "budgeting" premiums.

Atlantic Life Insurance Co.

RICHMOND, VIRGINIA

Angus O. Swink
President

Wm. H. Harrison
Vice Pres. & Supt. of Agencies

"Life Insurance and the Federal Tax Laws"—authoritative 44-page booklet 50c. Order from National Underwriter.

PRACTICAL MANAGEMENT

"A FIELD MAN'S COMPANY"

That is what those who know say of the Central Life. Its executives are genuinely concerned in helping the Field Man solve his problems. There is ample precedent for this attitude—every official of the company has been "in the Field" as a personal producer or as a successful agency manager. Constructive suggestions are invited from the Field Force and the Company's Agency program is based on the firm conviction that the greatest progress is made when the agents make money.

If you are ambitious and industrious, we have the perfect "Team"—the genuine co-operative spirit—that will bring you success.

Communicate with

ALFRED MacARTHUR, PRESIDENT

CENTRAL LIFE
INSURANCE COMPANY OF ILLINOIS
720 NORTH MICHIGAN AVENUE CHICAGO

**A Policy
for Every
Person and
Every Purse**

THE
GREAT-WEST LIFE
ASSURANCE COMPANY

Head Office—Winnipeg, Canada

Business In Force Over \$570,000,000

LIFE AGENCY CHANGES

To Manage Nebraska Agency

L. J. Gillis Takes Post for the Northwestern National—Was with National of Vermont

The Northwestern National Life has appointed Lee J. Gillis, formerly of Minneapolis, as manager of its Nebraska state agency, the Wilhelm Agency of Omaha. For the past three years he has been general agent in Minnesota of the National Life of Vermont. Prior to that he was for several years district manager at Cedar Rapids, Ia., for the Equitable of New York. Before entering the life insurance business 10 years ago, Mr. Gillis was a teacher and superintendent. He is a graduate of the University of South Dakota and later secured a master's degree from the University of Iowa. He served as a captain in the army during the war. Northwestern National Life has been represented in Nebraska by the Wilhelm agency for the past 20 years. The agency now has more than \$18,000,000 of business in force.

Neil Somerville in New Post

A. Neil Somerville has become sales manager of the Connecticut Mutual at Dallas, succeeding Charles Peterson, who will give all his time to personal work. Mr. Somerville is a native of Glasgow, Scotland, but has been in the United States for the last 22 years and for 21 years in life insurance. His work has been with the Penn Mutual and Equitable Life of New York. He is a former president of the Kansas City Life Underwriters Association.

Talley With Penn Mutual

Ralph E. Talley has been appointed district agent of the Penn Mutual Life at Knoxville, Tenn. He has had seven years' active life insurance experience, as a successful personal producer and in managerial duty. Last spring he passed the first two sections of the C. L. U. examinations. In his state association for several years he has been committeeman and director. In the National Association of Life Underwriters he has been a committeeman for the last three years and a member of the national council, together with two years on the national committee on local association problems, last year having been its chairman.

Holston Joins Yeomen Mutual

Lew D. Holston, well-known in Nebraska insurance circles, has been appointed general agent of the Yeomen Mutual Life of Des Moines for southwestern Nebraska, with headquarters at Trenton, Neb. He has had more than 10 years' experience in life insurance work, having previously served as district and state manager, and more recently as special agency supervisor.

New Detroit General Agents

Jerome Kanter and Harold R. Kelly have been appointed general agents in Detroit of the Ohio National Life. Both are well known in Detroit, having been in the insurance business 17 years. They are opening new offices at 1014-15 Fox Theatre building.

Now Enters the Life Field

The Field, Eddy & Bulkley agency of Springfield, Mass., has established a life department in charge of Donald W. Baird, who has heretofore been general agent of the Fidelity Mutual Life at Springfield.

The agency has been general agent of the casualty and surety department of the Aetna Life group for 25 years. J. P. Graham, Jr., general agent of the

Aetna Life, was host at a luncheon signaling this new development. The special guests were President George G. Bulkley of the Springfield F. & M.; President M. B. Brainard and Vice-presidents S. T. Whately and W. L. Mooney of the Aetna Life companies.

Scott Tennessee Supervisor

The Provident Life & Accident has appointed Hugh L. Scott, now of Charlotte, N. C., as supervisor for Tennessee in its life, accident and group departments. He has had seven years' service in a similar capacity, appointing and training new men and working with established agencies.

Mason to Bankers of Nebraska

R. O. Mason, formerly general agent of the Central Life of Iowa in Kansas City, then in the home office in Des Moines, has been named general agent of the Bankers Life of Nebraska for greater Kansas City, succeeding Jack Lawrence, who has gone with the Prudential as a personal producer.

Sun Life Transfers Two

W. B. Arthur, Jr., manager of the Columbus, O., agency of the Sun Life of Canada, has been transferred to Providence, R. I. He will be succeeded at Columbus by Don C. Carver, manager of the branch at Charleston, W. Va.

J. E. Ryan & Co., Detroit security house, has opened an insurance department under direction of J. S. Scofield, formerly with the Metropolitan Life.

COMPANIES

Names New General Counsel

J. Mac Peebles Succeeds the Late T. J. Tyne With National Life & Accident of Nashville

J. Mac Peebles, heretofore associate general counsel of the National Life & Accident, has now been appointed general counsel of that company. He succeeds the late Thomas J. Tyne. Mr. Peebles has been in the legal department of the National Life & Accident for the past 21 years, serving as assistant and later as associate to Mr. Tyne. He graduated from Vanderbilt University and obtained his LL.D. degree from Cumberland University. He is a native of Clarksville, Tenn. He is a prominent member of the Nashville bar and is a member of the American Life Convention Legal Section.

Will Increase Its Capital

The stockholders of the General Mutual Life of Van Wert, O., will hold a meeting Dec. 23 to consider the authorization of an increase in capital from \$100,000 to \$200,000. This is necessary in order to qualify for a license in Michigan and some other states where a minimum capital of \$200,000 is required. The directors have already recommended the increase.

Texas Prudential in A. L. C.

The Texas Prudential of Galveston has become a member of the American Life Convention. It operates in Texas, Missouri and Oklahoma, I. H. Kempner being president.

McIntyre on Oregon Mutual Board

Ross McIntyre, president and treasurer of the International Sales & Products Co. and president of the Columbia Food Company, has been elected a director of the Oregon Mutual Life to take the place left vacant by the death of W. P. Olds.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Mutual Benefit Alters Scale

Aggregate Amount in 1937 Dividend Distribution Larger; Reductions on Some Forms

The Mutual Benefit announces a new, adjusted dividend scale for 1937. President Hardin states, "With few exceptions, involving chiefly endowment policies having relatively few years to run, premium paying policies will receive somewhat larger dividends than they would receive if the 1936 scale had been continued. The dividends on other policies including paid-up policies and endowment policies approaching maturity will show a decrease. The aggregate amount distributable as dividends in 1937 will be somewhat larger than would be distributed if the 1936 scale were continued unchanged."

Settlement Option Change

"Because of the decrease in interest earnings which has been experienced by this company in common with all other financial institutions and private investors, the effective annual interest rate used in connection with settlement options in 1937 will be 3.75 percent instead of 4 percent, and the interest credited to dividend accumulations on policy anniversaries in 1937 will be at the rate of 3.5 percent instead of 3.75 percent."

J. S. Thompson, vice-president and mathematician, pointed out that dividends to be paid in 1937 on ordinary life forms would exceed corresponding 1936 dividends by about 2 to 5 percent, depending on age at issue and age of policy.

Specimen dividends for a number of plans, ages at entry and durations are shown below, compared with corresponding dividend under the 1936 scale:

Ordinary Life

Pol.	Age 25	Age 30	Age 35	Age 40	Age 45	Age 50	Age 55
1936	1937	1936	1937	1936	1937	1936	1937
Yr.	Scale	Scale	Scale	Scale	Scale	Scale	Scale
1....	\$3.84	\$3.95	\$4.55	\$4.68	\$5.32	\$5.95	
5....	4.20	4.35	4.94	5.12	5.75	6.38	
10....	4.68	4.84	5.52	5.72	6.38	6.99	
20....	5.58	5.88	7.64	7.95	11.61	12.14	

Ord. Life—Incr. Prem.

1....	3.15	3.23	3.32	3.45	3.73	3.83
5....	3.62	3.72	3.92	4.05	5.57	5.60
10....	4.40	4.52	5.07	5.23	8.50	8.60
20....	5.42	5.63	7.53	7.72	12.06	12.39

20 Payment Life

1....	3.89	3.98	4.60	4.71	5.86	5.97
5....	4.60	4.75	5.34	5.52	7.40	7.55
10....	5.61	5.84	6.49	6.67	9.41	9.55
20....	8.04	8.27	10.19	10.34	13.62	13.72

10 Year Endowment

1....	4.26	4.18	4.93	4.87	6.15	6.13
5....	7.53	7.66	8.06	8.17	9.68	9.70
10....	12.32	12.57	13.04	13.13	14.76	14.56

20 Year Endowment

1....	3.98	4.03	4.65	4.73	5.87	5.98
5....	5.34	5.49	5.81	5.97	7.57	7.71
10....	7.30	7.49	7.63	7.79	9.79	9.91
20....	12.48	12.60	13.19	13.15	14.90	14.73

Retirement Endowment at 65

1....	3.88	3.98	4.68	4.74	6.39	6.25
5....	4.57	4.73	5.92	6.08	11.56	11.47
10....	5.55	5.72	7.89	8.05	20.16	19.94
20....	7.87	8.11	14.00	13.94		

Paid-Up Policies

Paid-up Life		Paid-up Endowment	
Att. 1936	1937	Att. 1936	1937
Age	Scale	Age	Scale
25....	\$5.33 \$4.97	25....	19 \$7.30 \$6.76
40....	6.17 5.78	40....	10 8.55 7.87
55....	7.16 6.72	40....	10 7.38 6.87
70....	8.92 8.39	55....	10 8.57 7.93
		55....	19 7.56 7.08
		70....	10 8.52 7.93
		70....	19 8.93 8.39
		All....	10 9.19 8.60
		All....	0 10.56 9.71

Clyde T. Magnus, representing the Mutual Life of New York at Spokane, Wash., was married to Miss Olive Davidson.

Aetna Life Making Changes

Increases Rates Jan. 1 on Participating Plans with Life Income; Higher Values

Increase of premium rates to provide a \$10 monthly income under participating plans of insurance with life income will be made Jan. 1 by the Aetna Life. The increase is the result of an increase in maturity cash values throughout the life of the contract, which also produces higher cash values. The new maturity values are: Men—age 50, \$1,941; age 55, \$1,747; age 60, \$1,556; age 65, \$1,377; age 70, \$1,218; women—age 50, \$2,094; age 55, \$1,902; age 60, \$1,708; age 65, \$1,519; age 70, \$1,343.

This contract carries the privilege of paying a small extra premium to insure income for life of original beneficiary after 100 months certain if the beneficiary survives the assured, so that the income will be paid as long as either is alive and if both should die before completion of 100 months guaranteed income payments, the remaining guaranteed instalments will be commuted into a cash sum which will be paid into the estate. The new rates are:

Male		Female	
Age	At 65	Age	At 65
10	\$27.38	\$22.53	\$19.24
11	28.21	23.12	19.77
12	29.08	23.73	20.11
13	30.00	24.38	20.57
14	30.98	25.05	21.07
15	32.02	25.78	21.58
16	33.12	26.53	22.12
17	34.29	27.33	22.69
18	35.52	28.16	23.28
19	36.83	29.06	23.92
20	38.24	30.00	24.58
21	39.72	31.00	25.27
22	41.31	32.05	26.01
23	43.02	33.18	26.79
24	44.83	34.37	27.61
25	46.79	35.64	28.48
26	48.89	36.99	29.41
27	51.14	38.44	30.39
28	53.54	39.99	31.44
29	56.22	41.64	32.52
30	59.08	43.41	33.70
31	62.19	45.31	34.95
32	65.59	47.35	36.28
33	69.31	49.57	37.72
34	73.39	51.96	39.25
35	77.91	54.57	40.89
36	82.91	57.38	42.63
37	88.48	60.46	44.53
38	94.72	63.83	46.57
39	101.76	67.52	48.77
40	109.76	71.62	51.18
41	118.89	76.14	53.78
42	129.47	81.17	56.61
43	141.82	86.82	59.72
44	156.43	93.18	63.13
45	173.98	100.40	66.89
46	194.65	108.65	71.04
47	218.17	118.17	75.67
48	244.30	129.30	80.84
49	273.46	142.46	86.67
50	306.20	158.20	93.24
51	343.10	177.10	100.77
52	384.80	199.30	109.39
53	431.90	225.90	119.46
54	485.10	257.10	131.33
55	545.10	293.10	145.49

Rates with Waiver of Premium Disability

10	27.96	23.06	19.76	30.17	24.84	21.11
15	32.71	26.42	22.18	35.47	28.60	23.83
20	39.08	30.78	25.31	42.55	33.51	27.32
25	47.85	36.61	29.39	52.31	40.09	31.92
30	60.44	44.66	34.87	66.35	49.17	38.09
35	79.75	56.24	42.44	87.85	62.29	46.65
40	112.38	73.96	53.35	124.17	82.46	59.98
45	178.01	103.87	70.09	197.10	116.66	78.24
50	263.71	153.71	98.28	285.46	166.77	110.77
55	384.80	225.90	145.49	431.90	257.10	173.98

Policy Changes, New Annuity Announced by Equitable

The Equitable Life of New York has announced a number of policy changes and effective Dec. 1 will bring out a new single premium deferred annuity. Effective immediately the age limit for ordinary life policies has been lowered from age 15 to age 10, and the age limit

There's a Reason...

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This strong, progressive Company
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MILWAUKEE, WISCONSIN

LIFE

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Family Maintenance with Convertible Term Policies

New Security Mutual Life term policies for 5, 10, 15, and 20 years offer an ideal method of providing family maintenance insurance at minimum rates. Premium waiver and accidental death benefits at slight additional cost. It will pay you to investigate these new insurance opportunities.

Ask about the new Retirement Income at

55—a real insurance investment.

Security Mutual Life Insurance Company

BINGHAMTON, N.Y.

for all forms of term insurance lowered from age 21 to age 15.

The present single premium retirement annuity will be withdrawn Dec. 1. The new single premium deferred annuity will provide for an instalment return in event of death before annuity payments have aggregated an amount equal to the single premium. This contract will have no cash values, but will be participating.

On and after Dec. 1 the company will require the usual evidence of insurability from applicants for single premium life policies whether applied for in connection with the purchase of annuities or not.

Guardian Life's Action

The Guardian Life of New York will retain the same dividend scale for next year and the same rate of interest, 4 percent.

Will Continue Dividend Scale

Companies that have announced that their dividends will continue in 1937 the same as 1936 are the Aetna Life, Columbia Life of Cincinnati, Connecticut Mutual, Fidelity Union Life of Texas, General Mutual Life of Van Wert, O., Hercules Life, Home Life of New

York, Lafayette Life, Lincoln Liberty Life, Midwest Life, National Life of Vermont, New England Mutual, Northern Life of Canada, Policyholders National, Security Life & Trust, Service Life, Shenandoah Life, State Farm Life of Bloomington, Ill., Union Cooperative, Union Labor Life and Guardian Life.

New York Life Discontinues Two of Its Annuity Forms

The New York Life has discontinued its single premium retirement annuity and its immediate annuity with cash refund. Applications for these forms will not be accepted after Dec. 7 and payment must be made for them within two weeks. The annual premium retirement annuity and immediate annuity with instalment refund are continued.

State Mutual Maintaining Its Dividend Scale in 1937

The State Mutual Life will continue its present dividend scale for 1937. Dividends left to accumulate will pay 3 per-

cent instead of 3½ percent, the same rule applying to completely withdrawable proceeds left with the company. The rate on non-withdrawable proceeds will be reduced from 3¾ percent to 3½ percent.

Restricts Payroll Writings

The experience of the Minnesota Mutual Life with association payroll cases has not been satisfactory and the company has announced that in the future the only type of associations which will be considered for payroll installations are associations already in existence and operating successfully for some other purpose.

CHICAGO

MUTUAL TRUST ACTIVITIES

The Mutual Trust Life of Chicago is farming intensively the territory around the home office, with a number of activities that show a progressive policy. A "grocery contest" is in progress, a type of campaign which has been found to stir up great enthusiasm among agents. This started in October and will end Dec. 1, the prizes for leading agents being various assortments of staple groceries. There will also be a Christmas party. The home office agency, managed by Dave Dawson, is conducting a separate grocery contest in November, known as the "tournament of groceries," there being two teams, "Dawson's Trading Post Indians" and "Olie's Chili Beaners." M. S. Luno is captain of the Indians, and D. L. Geary of the Chili Beaners. In October the agency conducted a political contest, with C. H. Anderson, veteran agent who wrote the Mutual Trust's first policy, and Conrad Bovik, another veteran, as candidates for "president." Political rallies were held in the agency room and torchlight parades with placards and all the atmosphere of a real political campaign.

* * *

FRED EXLINE ASSISTANT MANAGER

Fred Exline, one of the first five leading agents of the Connecticut General countrywide, has been appointed assistant manager of the F. H. Haviland agency in Chicago. He was transferred from Charleston, W. Va., where he had represented the Connecticut General for four years. Previously for 15 years he was a banker there.

* * *

FIDELITY MUTUAL MEETING

The three Chicago agencies of the Fidelity Mutual Life held a luncheon and Vice-president Frank H. Sykes from the home office was the main speaker. C. F. Feddemen of the home office agency staff and C. L. Pontius, supervisor, also spoke. The three agencies are those of D. J. Cranston, 100 West Monroe street; W. M. Van Page, 141 West Jackson boulevard, and J. H. Brennan, 111 West Washington street. Mr. Brennan presided.

RECORDS

Canada Life.—New paid life insurance in Canada and the United States to Sept. 30 increased 27.1 percent over 1935. Surrenders up to Sept. 30 were \$3,929,199 less than in the same period 1935. Lapses were \$911,325 less. Policy loans decreased \$1,747,620. Of the new business written this year 31 percent was on the lives of old policyholders.

Philadelphia Life.—Paid-for business for the first nine months increased 10.7 percent. Lapses and terminations showed a decided decrease for the same period. With more business exposed to lapsation, the first year lapses in 1936 are 27 percent less than last year.

Capitol Life, Denver.—October production was dedicated to Dr. Frank W. Kinney, medical director, who celebrated

SALES MEETS

Quarter Million Club Meeting

The Penn Mutual's Quarter Million Dollar Club will meet in St. Petersburg, Fla., Jan. 18-20.

Ohio Meeting Held

An Ohio agency meeting was held in Columbus by the George Washington Life. Among those who attended from the home office were President Charles L. Preston and James E. O'Neill, vice-president. C. Y. Coley is state supervisor.

Holcombe Conducts Sales Meet

The Farmers & Bankers Life of Wichita held a two-day sales meeting at the home office under the direction of John Marshall Holcombe, Jr., manager Life Insurance Sales Research Bureau, and John Jamison, consultant and instructor of the bureau's staff. President H. K. Lindsley is a director of the bureau and attended the annual meeting in Chicago, as did Secretary Frank E. Jacobshagen.

Conducting Sales Schools

A number of educational meetings are being conducted by the Mutual Trust Life in Wisconsin, Minnesota, Michigan and North Dakota. C. W. Noble, agency director and B. N. Woodson, executive assistant, have been making the rounds, conducting schools at Green Bay, Milwaukee, Eau Claire and Madison, Wis.; Iron Mountain, Mich.; Minneapolis, and Fargo, N. D., and are still on tour.

Plan National Meeting

MILWAUKEE, Nov. 25.—The annual conference of general agents of the Northwestern Mutual Life will be held at the home office March 1-3, it was decided at the annual mid-winter meeting of the officers and executive committee of the General Agents Association here. Previous to this year, separate meetings were held in each zone with home office officials attending. The plan of combining the zone conferences into one convention at the home office met with such great success early this year that it has been decided to again meet here next March, according to B. J. Stumm, Aurora, Ill., president of the association.

Patterson Favors Advertising

GRAND RAPIDS, MICH., Nov. 25.—Advertising by life insurance in the daily press was advocated at an anniversary meeting of Penn Mutual Life representatives here by A. E. Patterson, president National Association of Life Underwriters and Chicago general agent of the Penn Mutual. The meeting is an annual one sponsored by the agency here, headed by Kenneth W. Conrey. It was attended by approximately 50 representatives of the company and employees of the local agency and others throughout the state.

"It seems to me," Mr. Patterson said, "that one of the most effective forms of advertising to use is the daily press. The man we want to reach usually reads at least one newspaper each day."

Mr. Conrey and E. P. Connolly, district manager at Springfield, Ill., also spoke.

his 76th birthday last month. Sol Zuckerman, Cheyenne general agent, was awarded first prize for general agents. The runner-up was Albert Marranzino of Denver. William Golden of Oklahoma City was awarded first prize among the soliciting agents. George H. Hockler of Dallas was runner-up.

H. C. Rhyne, Guardian Life, Milwaukee—October gain of 35 percent with November business 50 percent ahead. Walter Ross of the agency led the company for October and for the first 10 months.

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Consulting Actuary
160 N. La Salle Street
Telephone State 1213
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Specialty, Income Taxes of Insurance Companies
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CONOVER, GREEN & CO.
Actuarial and Insurance Consultants
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Chas. S. Conover Telephone
Walter C. Green FRANKLIN 3868

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Certified Public Accountant and
Actuary
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Indianapolis, Omaha, Kansas City

HARRY C. MARVIN
Consulting Actuary
307 Peoples Bank Building
INDIANAPOLIS, INDIANA

MISSOURI

ALEXANDER C. GOOD
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T. C. RAFFERTY
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MILES M. DAWSON & SON
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Associates
Fred E. Swartz, C. P. A.
E. P. Higgins
THE BOURSE PHILADELPHIA

VIEWED FROM NEW YORK

By R. B. MITCHELL

HONOR RALPH L. SMITH

Managers and general agents of the Travelers in New York City gave a surprise birthday party for Ralph L. Smith, superintendent of agencies in charge of New York City agencies. Harry Anderson, assistant superintendent, was toastmaster and read congratulatory telegrams from Vice-president H. H. Armstrong and other home office friends of Mr. Smith. On motion of Manager Elias Klein of the Bookstaver agency, it was decided to stage a production drive in December in Mr. Smith's honor. National Broadcasting Company stars supplied entertainment.

N. Y. SALES OFF 7% PERCENT

Estimated total sales of life insurance in New York City for October were \$55,245,000, according to the New York City Life Underwriters Association. The figure for October, 1935, was \$59,666,000.

MINER TAKES HENNEY'S POST

Daniel Miner has been appointed counsel in charge of the legal division of the Aetna Life group in the New York offices. He takes the place of the late J. B. Henney. Mr. Miner heretofore had been Mr. Henney's principal assistant.

AGENCY'S ASSOCIATION ELECTS

The agents association of the Keane agency of the Massachusetts Mutual Life in New York City held its annual meeting, electing as president Irwin Loewenberg; vice-president, C. E. Clark, secretary, F. R. Tucker; treasurer, P. J. Spies; board of governors, James Fioldo, Harold Regenstein and M. E. Falk.

The association was organized a year ago as an outgrowth of a committee of established agents formed to welcome new men and make them feel at home. As in most agencies, new agents are brought in by various full-time mem-

bers and it was thought desirable that the new agent should feel that not only his sponsor but the rest of his co-workers were taking a friendly interest in him. The association now has a constitution and by-laws and plans agency sales congresses, as well as continuing its activities along social lines.

HIRST WINS NEW HONORS

Albert Hirst, counsel New York State Association of Life Underwriters, has been elected chairman of the board of directors of the American League to Abolish Capital Punishment to succeed Warden Lewis E. Lawes of Sing Sing prison. Mr. Hirst has been legal adviser of the association for some time. He was at one time an agent of the Mutual Benefit Life. In his life insurance legal activities he has taken a leading role in drafting and getting enacted New York's Section 55a and other statutes exempting life insurance and annuities from judgments of creditors.

LIFE COUNSEL MEETING

The annual meeting of the Association of Life Insurance Counsel will be held at the Waldorf Astoria, New York City, Dec. 1-2. C. J. Cover, assistant counsel Lincoln National Life, has as his topic, "Federal Income Tax Law as It Affects Life Companies." R. H. Kastner, associate counsel American Life Convention at Chicago, will present a paper on "Contestability of Right to Disability or Double Indemnity Benefits After Expiration of Contestable Period." F. H. Nash, general counsel Columbian National Life, will talk on "The measure of damages upon breach of a life insurance contract." Prof. Edwin Patterson of the law department at Columbia will have as his subject "Some Problems in the Law of Misrepresentation."

L. H. Cooke of the New York Life is president.

INDUSTRIAL FIELD NEWS

Optimistic on Pension Plan

Industrial Insurance Men Feel That Federal Project Will Serve to Stimulate Sales

Many industrial men are coming around to the opinion that the old age pension plan in the social security act is going to prove a help instead of a detriment to their business, according to the "Industrial Salesman."

Present signs point to the fact that very little business is going to be lost through people giving up their insurance payments because they will be paying 1 percent of their income to the government fund after Jan. 1. It is possible that insurance will receive a big boost through the social security act, as no payment will start before 1942. So far as life insurance is concerned, the government is not in competition with the companies except to a small extent in case of death payments of the cash value made.

Go on as Before

There is no reason why industrial insurance cannot go on as usual in the face of the social security act, according to the "Industrial Salesman." Industrial men are seeing a big opportunity for selling ordinary for old age income in combination with the government pension plan. The government provisions do not provide sufficient income for the average man. Although the government provisions run from \$10 to \$86 per month, starting at age 65, the average payment for the

number of years after the payment starts in 1942 will average \$30 to \$35 a month. In other words, to get the full benefit of the government plan it is necessary for the employee to work over a long period of years and to be on a high income basis.

Provide Joint Income

The industrial agent can tell the policyholder that if he will take an ordinary policy of reasonable amount he can supplement the government pension for an old age income that will bring his monthly income up to \$50 or \$60 a month, or whatever sum the prospect considers adequate. In this way the average man will be able to buy the proper amount of protection which would not have been possible before the government entered the picture.

One industrial man reasons that the social security program will stimulate life insurance, as did the government war insurance. It is easier to bring a man who carries \$3,000 up to \$5,000 than to get a man carrying \$1,000 up to \$3,000. It is easier to make an increase than to induce a man who is not insured at all to take his first \$1,000.

The "Industrial Salesman" feels it is

TAKE BOTH Life men who write automobile or fire insurance, as well as life, should read The National Underwriter (Fire, Automobile and Casualty Section, \$4 a year), as well as the Life Insurance Edition. Both on one subscription, \$5.50 a year. Send order now to A-1946 Insurance Exchange, Chicago

Opportunity!!

The Columbus Mutual Offers

First—THE ADVANTAGES OF OPERATING YOUR OWN AGENCY.

Second—LOW COST INSURANCE TO SELL.

Third—LIBERAL COMMISSIONS FOR SELLING IT.

Fourth—IDEAL WORKING CONDITIONS.

Vested Renewals—

Unrestricted Territory—

Automatic Promotion—

Equality of Opportunity—

No one to interfere, dictate or coerce—

Every influence helpful, inspirational—

Reward determined not by chance, by guess, or by favoritism, but by results—

The larger the production, the higher the rate of compensation—

You do not have to fight for a better contract—

You rise to your rightful level without let or hindrance.

THE COLUMBUS MUTUAL LIFE

INSURANCE COMPANY

COLUMBUS, OHIO

The growth of the Massachusetts Mutual Life Insurance Company is a story of 85 years of increasing service. The ideal of the founders to make the Company particularly a policyholders' institution has always been closely adhered to, and throughout the country the name Massachusetts Mutual has become a synonym for quality and excellence in life insurance.

• • •

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

Organized 1851



General Agency Openings

with

A GREAT COMPANY

GROWING GREATER

A Company that has

*A Liberal Contract

(Both First Year and Renewal Commissions)

*An Attractive Line of Policies

(designed to fit every need)

*A Unique Sales Program

Practical assistance and co-operation in the field

Enjoy the advantages of

**COMMONWEALTH CORDIAL
CO-OPERATION
IT WORKS**

Write

J. Herbert Snyder,
Agency Vice-President.

**COMMONWEALTH
LIFE INSURANCE CO.
LOUISVILLE, KY.**

good salesmanship for the industrial man to fit into the life insurance program which the government is providing, rather than to take part in criticism which should be left to actuaries and authorities best qualified to make them.

United to Take Industrial Line of Savings Fund Life

A meeting of stockholders of the United of Chicago has been called for Dec. 19 to act on the proposal whereunder the United would reinsure all of the weekly premium insurance of the Savings Fund Life of Anderson, Ind. The reinsurance contract, according to President O. T. Hogan of the United, has been approved by the Indiana department and by the directors of the United. Savings Fund Life has been taken over by the Indiana department.

The contract is between the United and H. O. Mountjoy, special deputy commissioner of Indiana, in the matter of the liquidation of the Savings Fund

Life. Under the contract, the United would pay \$5,100 for the industrial business of the Savings Fund Life. There would be a down payment of \$500. Of the balance, \$3,500 would be available to the special deputy to pay claims now pending with the Savings Fund Life and the balance would be available for such purposes as may be determined by the special deputy.

Until the reinsurance is legally completed, the contract provides that agents of Savings Fund Life who agree to enter the service of the United, shall continue to service the business now in force of Savings Fund Life and shall remit to a trustee, who will pay current claims as they arrive.

The industrial department of Savings Fund Life is divided into four districts: Indianapolis, with a weekly debit of \$500; Terre Haute, weekly debit \$250, Evansville, weekly debit \$200, and Vincennes, debit \$150. There is about \$3,000,000 industrial in force.

Guy E. Cory, 60, for many years with the Prudential, died at his home in Columbus, O.

enza and pneumonia combined, cerebral hemorrhage, and accidents other than automobile.

Holds Flexible Surrender Charge Is Discriminatory

The Mississippi supreme court has decided that a provision that the cash surrender value shall be not more than 1½ percent violates the statute prohibiting unfair discrimination. The case was New York Life vs. Boling et al. A fixed surrender charge would have been valid, according to the court, but a sliding provision makes it possible for the insurer arbitrarily to discriminate between policyholders of the same class. Such unfair practices are prohibited by statutes. The premium must be plainly written in the face of the policy and the court stated in its last analysis the cash surrender charge is simply a part of the cost of the insurance—premium.

In this particular case, had the surrender charge of 1½ percent been deducted, the coverage would have lapsed prior to the death of the insured, whereas without deduction of the surrender charge, the insurance would have been good.

Seek to Recover Deposit

Suit in equity has been filed in federal district court of Indianapolis by the ancillary receivers in Indiana for Federal Reserve Life of Kansas, to obtain release from the Indiana department of a deposit, set up by the Farmer's National Life of Huntington, Ind., in 1912. That deposit remained in Indiana after Farmers National Life was merged with Federal Reserve Life in 1928. The business of Federal Reserve Life, following receivership, was taken over by the Occidental Life of Los Angeles.

GENERAL AGENCY NEWS

Presentation Room Idea Used in New Agency Layout

The new offices of the Stuart Smith agency of the Connecticut General Life in the Lincoln-Liberty building in Philadelphia have a novel layout. The offices are divided into two sections. In the work section, which the prospect does not see, are the offices and desks of the agents and clerical force. The other half of the office closely resembles the lobby of a club. There are five individual offices which are known as presentation rooms. The only actual office in this section is that of Stuart Smith, head of the agency.

Prospect Calls at Agency

The agency for some months has been working on the estate programming plan and the thought back of the presentation rooms is to have the prospect call at the agency. The prospect is not subject to the interruptions that are common in his own office. The agent has the opportunity to make a complete presentation without interruptions of any sort. He cannot be disturbed in any way; he cannot be called on the telephone or bothered in any way, as the minute he enters the room, an order goes automatically into effect that he is out. The prospect believes that he is set for a half-hour interview, but often it will run into a much greater time.

Social Security Aids Sales

The social security act will result in a "boom" for life insurance, said W. F. Hanselman, superintendent of agencies Union Central Life, at a meeting in San Francisco of the J. W. Rivers agency. Mr. Hanselman cited the increase in life insurance sales due to the war insurance. In the same manner, he said, the buying public will now become "income conscious."

The inflation scare is not a detriment to the sale of life insurance, but rather a definite reason for additional life insurance, said Mr. Hanselman.

Before returning to the home office, Mr. Hanselman will visit other agencies in southern California and the Pacific northwest.

Hold Get-Acquainted Dinner

Representatives of 17 life insurance companies were the guests of the combined Philadelphia agencies of W. W. Whetstone and David Lauer at a get-acquainted dinner of the Standard Life of Pittsburgh.

Several executives from the home office were present. John C. Hill, presi-

dent, told of the fine financial condition of the company. Other home office men who spoke were J. D. Van Scoten, vice-president and superintendent of agencies, and Dr. W. F. Donaldson, chief medical officer.

Milwaukee Equitable Men Elect

The Equitable Club of Milwaukee, composed of members of the agency there of the Equitable Life of New York, at its annual dinner meeting elected these officers: A. A. Rinker, president; Allyn Charles, vice-president; G. J. Ihler, secretary, and A. F. Nickel, Jr., treasurer. Directors are Leroy Bond, H. J. Toal and Miss Helen Zedler.

Levering Named "Head Man"

Miles W. Levering, London, O., was named "head man" of the Harry Chipman agency of the Equitable Life of New York in Columbus, O., at a meeting of representatives from 35 central Ohio counties at the Granville Inn, Granville, O. The selection is based on personal production, service and participation in civic affairs in his community. R. V. Zartman of Columbus was the leader in a recent campaign, writing \$73,000. R. E. Hanley, former football coach at Northwestern University, now a million dollar producer for the Equitable in Chicago, was the speaker.

Hawkes Entertains Agents

Agents and office personnel of the Columbus, O., agency of the State Mutual Life were entertained at a turkey dinner by E. E. Hawkes, Jr., general agent. J. C. Caperton, Chicago, general agent of the State Mutual, was the principal speaker.

Cross Visits Shepard

Cecil F. Cross, second vice-president and manager of agencies for the Lincoln National Life, who is touring the western and Pacific Coast territory, held a meeting with the Walter T. Shepard agency of Los Angeles.

Metropolitan Life Mortality

The Metropolitan Life in studying its mortality experience for the first nine months finds that the death rate among industrial policyholders was 8.6 per 1,000, a little more than the 8.5 established a year ago. For white persons the death rate remained the same, 7.8 percent. The slight increase was due to a small rise in mortality among colored people. Higher rates than last year are shown for diabetes, diseases of the heart, diseases of the coronary arteries, influ-



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Openings in Ohio and Illinois for a limited time under our unusually liberal agent's and general agent's contracts with attractive renewals, keen home office cooperation, field supervisory service without cost. All standard forms, including juvenile and annuities. " "

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**THE
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VAN WERT, OHIO • C. M. Purmort, Pres.

NEWS OF LIFE ASSOCIATIONS

Leaders to Go to Pittsburgh

Many Prominent Home Office Men Accept Invitation to Attend Golden Jubilee Celebration

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Additional home office and other insurance executives who have accepted invitations to attend the golden jubilee of the Pittsburgh Life Underwriters Association Dec. 7, include:

John R. Hardin, president Mutual Benefit; Claris Adams, president Ohio State Life; Claude B. Corey, vice-president Pan-American; Mervin Davis, vice-president Equitable of New York; Joseph Dunn, publicity director Metropolitan Life; G. W. Fowler, treasurer Bankers Life of Des Moines; Cecil C. Fulton, vice-president Home Life; John V. Hanna, president United Life & Accident; Walter W. Head, president General American Life; Alfred Hurrell, vice-president and general counsel Prudential; W. W. Jaeger, vice-president Bankers of Des Moines; Franklin C. Morss, manager of agencies Provident Mutual; A. A. McFall, vice-president Columbian National; Donald V. Rike, supervisor Metropolitan Life; O. T. Sullivan, superintendent of agents, United Life & Accident; S. Phelps Todd, vice-president Provident Mutual; Lewis J. Zettler, superintendent of agents Metropolitan, and C. Vivian Anderson, Provident Mutual, past president National Association of Life Underwriters.

California Caravans Hold Meetings Over the State

The "caravan" of speakers from the San Francisco Life Underwriters Association which is appearing in various outlying cities in northern California will present a program before the Fresno association Nov. 28 with F. J. Van Stralen, Massachusetts Mutual Life; Paul Webber, Lincoln National Life, and G. F. McKenna, Continental Assurance, as the speakers on "Sales Angles." Others appearing on the program will be T. A. Gallagher, Prudential, president San Francisco association; K. L. Brackett, John Hancock, president California state association, and Phil G. Young, Metropolitan, secretary National association.

The Los Angeles "caravan" will present the program before the San Francisco association Dec. 7 at a "Monday Morning" meeting. It has conducted meetings the past week in Long Beach and San Diego. The Los Angeles party includes Phineas Prouty, Jr., Massachusetts Mutual, president Los Angeles association; Joseph Charleville, managing director; John R. Mage, Northwestern Mutual, past president; A. A. Dewar, Equitable of New York; J. H. Cowles, Provident Mutual; H. G. Mosler, Massachusetts Mutual; Ron Stever, Equitable of New York; H. S. Parsons, Travelers, and Paul Zerrahn, Phoenix Mutual.

Favor Anti-twisting Bill

DENVER, Nov. 25.—Considerable sentiment in favor of an anti-twisting bill and the adoption of some legislation for bringing mutual benefit organizations under control is being expressed by the membership of the Colorado Association of Life Underwriters and it is considered likely that the association will sponsor such measures when the legislature convenes in January.

Denver.—R. J. Bayliss, Equitable Life of New York at Colorado Springs, was the speaker before the Colorado association. He was the only agent in Colorado last year to pay for over \$1,000,000 to become a member of the million dollar round table. He said his success was due to putting much thought and study into the business and then getting the right kind of people to listen to him.

He believes that people are motivated to buy life insurance largely because of their intense interest in somebody else.

* * *

Oklahoma—Belief that the social security act will tend to create more interest in old age life insurance was voiced by Walter R. Graalman, attorney, at a meeting in Oklahoma City. The security act will aken the public to the value of income insurance, not only among those who have already provided such protection but among the class who has never given it a thought.

Thomas Thatch, Mutual Benefit Life, was elected vice-president to succeed E. E. Dale, who has gone to Dallas to become general agent of the Great Southern. Homer Jamison, general agent the Equitable of New York, was reelected national councillor.

* * *

Birmingham, Ala.—Memorial resolutions were adopted for Capt. W. W. Bussey, for more than 40 years engaged in life insurance in Birmingham, who died some weeks ago.

* * *

Wichita, Kan.—Harry W. Stanley, general agent Equitable of Iowa, will speak on "Modes of Settlement."

* * *

Northern New Jersey—At a meeting in Newark, Dec. 3, Alexander E. Patterson, president of the National association, will talk on "Your National Association," and O. Sam Cummings, vice-president of the National association will discuss "Making 1937 a Better Year."

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Waukegan, Ill.—W. R. Chapman, assistant director of agencies, Northwestern Mutual Life, spoke.

He gave his attention largely to the social security act which he described as an "anti-poorhouse attempt." He said it would not injure the voluntary taking of insurance which has become an important factor in American economic life.

The small death benefits and annuities may be paid under the social security act, he said, will only fill a negligible part of the need for proper protection. The only real competition that may be felt is in the smaller buyer.

P. W. Kaiser, president of the Waukegan school board, was toastmaster, being introduced by John Ballentine, president of the county association. Ed Durst, vice-president, Bert Love, treasurer, and Lester Swank, secretary, were introduced.

The Joliet association extended an invitation to the agents and their wives to attend a dinner in Joliet Dec. 15. Included in this program is an invitation to a tour through the penitentiary as guests of the warden.

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St. Catharines, Ont.—W. A. Benson, estates officer National Trust Co., Hamilton, Ont., spoke on the part banks can play in cooperating with insurance men in estate creation.

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Atlanta—At the November dinner John A. Witherspoon, National association trustee, Nashville, Tenn., spoke on "Visual Selling."

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Jacksonville, Fla.—Henry M. Powell, general agent State Mutual Life, Atlanta, spoke at the November meeting.

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Waycross, Ga.—J. A. Adair has been elected president; L. W. Youmans, vice-president; Ray Cox, secretary-treasurer, and K. N. Stephens, chaplain.

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Toledo—R. P. Thierbach, assistant director of agencies Northwestern Mutual, talked on "Why Not Try It?"

* * *

Columbus, O.—George H. Harris, director of public relations Sun Life of Canada, spoke on "Life Insurance, a National Asset." Most of the life insurance in force today is owned by insured who live in democracies. The greater amount is owned by people of Great Britain and the United States. Its great growth was attributed to the type of service that is being given.

He was introduced by W. B. Arthur, Jr., local manager of the Sun Life, who leaves soon to take over the agency in Albany, N. Y. On account of illness of President E. C. Deckard, Raymond C. Couch, vice-president, presided.

* * *

Salt Lake City—At the monthly meeting the association endorsed the work of the "American Policyholder." W. M. Jones, Business Men's Assurance, pre-

if you live in Ohio, Minnesota, Iowa or Wisconsin and —

if you want an agency contract with a strong, dependable mutual company which contract —

—is direct with the Home Office

—pays liberal first year commissions

—allows renewal commissions for as little as \$25,000 of business per year

—vests renewal commissions in you or your estate

—allows you to build your own agency

Then you will want to communicate with this progressive, growing mutual company.

For particulars, address

Gardian Life
Insurance Company

Paul F. Crane, Director
New Business Department
MADISON, WISCONSIN

*20% Ahead of '35
and two months
yet to go*

Chalk up ANOTHER RECORD FOR OCCIDENTAL LIFE'S FIELD MEN!

They wrote over \$83 millions in new 1936—a new high mark that exceeds life insurance the first 10 months of all 1935 by 20%.

Men like to work for Occidental:

- Because of its complete kit of life insurance and A & H equipment.
- Because they find its aggressive atmosphere of growth gives them the spark of enthusiasm that means success in this business.

Investigate the opportunities with this swiftly growing company in Illinois, Ohio, Indiana, Michigan, Louisiana and Arkansas.

OCCIDENTAL LIFE INSURANCE COMPANY
(of California)
V. H. Jenkins, Vice-President Home Office, Los Angeles

a REAL OPPORTUNITY

for Qualified PRODUCERS
in TEXAS, IOWA, NEBRASKA
and the Pacific Northwest

LIBERAL CONTRACT

Write J. J. Bell, President

MIDLAND NATIONAL LIFE INSURANCE CO.
WATERTOWN... SOUTH DAKOTA

sided. Irwin Aronovitz, chairman state tax commission, explained the amended tax measures and showed how funds are to be distributed.

St. Joseph, Mo.—W. T. Grant, president Business Men's Assurance, and Fred Crowell, Jr., associate editor "Insurance Magazine," Kansas City, spoke on the social security act as it affects life insurance.

Peoria, Ill.—Henry Files, agent of the Northwestern Mutual Life at Cedar Rapids was the principal speaker at the monthly meeting. He spoke on "Profitable Selling." Dr. J. H. Pearce, president of the association, was in charge of the meeting.

California—A two-day meeting will be held Dec. 5-6 by the directors of the

state association. The main subject will no doubt be that of part-time agents, as their elimination is becoming an issue of paramount importance over the country.

Wheeling, W. Va.—Assistant Secretary John T. Wells and Attorney W. C. Sullivan of the Massachusetts Mutual, were speakers at the November meeting. Mr. Wells discussed "Income vs. Lump Sum," pointing out the manifold advantages of the form, and Mr. Sullivan talked on "A Life Insurance Estate."

Ford T. Shepherd, the new president, presided.

Two Northwestern Mutual Life home office men were involved in an automobile accident near Peoria where they conducted an audit. Orval E. Peters, 28, was killed and his companion, O. W. Arnold, was seriously injured.

C.L.U. NEWS

WOOD SAN FRANCISCO PRESIDENT

J. H. Wood, manager Union Mutual Life, was elected president of the San Francisco C. L. U. chapter at the annual meeting, succeeding C. H. Linford, Travelers. G. F. McKenna, Continental Assurance, was elected vice-president; F. J. Van Stralen, Massachusetts Mutual, secretary, and E. T. Starbuck, Wells Fargo Bank & Union Trust Company, treasurer. Retiring President Linford heads the board of directors, with J. O. Klein, Metropolitan Life, Burlingame, and Fred B. Wiley, Equitable of New York, Oakland. Eight new members were admitted, bringing the membership to almost 50.

N. J. Goldsmith, Equitable of New York, who heads the educational committee of the San Francisco Life Underwriters Association, spoke on "Educational Activities and Opportunities of the San Francisco Chapter." T. A. Gallagher, president San Francisco association, reported on the convention of the National association and the National C. L. U. chapter. A round table discussion of the "part-time" section of the good practices agreement was held.

TAX MEETING IN DETROIT

Believing that the general public is tax conscious and that the life underwriter who has an intelligent understanding of tax problems is in a favorable competitive situation in his selling, the Detroit C. L. U. chapter started a series of eight sessions on tax problems this week and will hold meetings Friday and Tuesday to Dec. 18.

The Associated Life General Agents & Managers and the Qualified Life Underwriters are backing the project. President F. A. McCartney, Equitable, is directing the course, which will take up the excess profits tax on corporations, social security act, federal estate and gift taxes, the Michigan inheritance tax and the federal income tax.

DISCUSS SOCIAL SECURITY

A comparison of the benefits under the social security act with life insurance was presented at the Kansas City Chartered Life Underwriters meeting by M. D. Cramer, Bankers Life of Iowa. Mr. Cramer feels that the social security act will stimulate life insurance sales along the same lines that the war insurance did. Mr. Cramer suggested that a medium sized buyer be impressed with the fact that earlier retirement is possible with insurance.

In the discussion which followed, it was estimated that 75 percent of all wage earners in Kansas City will be affected by the social security act, but that most of these buy industrial insurance. It was pointed out that about 85 percent of the large buyers of life insurance do not come under the social security act.

At the Dec. 21 meeting of the Chartered Life Underwriters a discussion of stock retirement will be led by Bert Boyd, Northwestern Mutual. The Jan. 18 meeting will feature a discussion on partnership, led by Kenneth Patzman, Mutual Life of New York.

Cincinnati Card Outlined

CINCINNATI, Nov. 25.—Speakers announced for the Cincinnati Associated Life General Agents and Managers Association include: G. F. Ream, assistant superintendent of agents Mutual Benefit, "Breaking Down the Job of Selling," Dec. 17; Jerome Clark, vice-president Union Central, "Persistence Ratings," Jan. 14, and E. C. Kelly, conservation supervisor Home Life of N. Y., who will discuss the method being used by his company to measure the quality of new business, Feb. 25.

The Canada Life opened a branch at Kirkland Lake, in northern Ontario, H. W. Hare as manager. He was formerly district manager at Kincardine, Ont.

Federal Interference With Municipal Bonds Not Needed

There is now no necessity for extraordinary expansion of federal functions to remedy municipal bond difficulties, George A. Bangs, president United Mutual Life, Indianapolis, told the National Municipal League in session at Toledo, O., for there is only a small amount of municipal bond defaults and these are diminishing. Mr. Bangs is a member of the special committee on municipal bankruptcy legislation American Bar Association and is an authority on municipal bonds.

Municipal defaults have withstood the depression better than any other form of investment, he said, and the amount in default has been greatly over-estimated. Because of improved conditions business men in defaulted communities are exerting a powerful influence to regularize debt and tax conditions creating an overwhelming influence toward reasonable refundings and similar rehabilitation work, except where the R. F. C. loan policy has promoted and encouraged defaults aided by the municipal bankruptcy law which was held invalid.

He touched on municipal protective committees, which he said are created by exercise of rights of contract by municipal bondholders in an effort to protect and enforce their rights. The interstate commerce clause or the post road clause confer no jurisdiction upon the federal government to attempt regulation or control of the bonds of subordinate state governmental agencies or the rights of the bond owners to enter into contracts for their protection and enforcement. If the interstate and postal powers were expanded to include control of such bonds and their owners, Mr. Bangs said, there would be no business, social or commercial contract or transaction free from federal government supervision.

No Special Concession for State Employees in Virginia

RICHMOND, Nov. 25.—The state corporation commission has decided to abrogate its rule promulgated several weeks ago permitting life insurance on the salary savings plan for state employees to be written on the monthly payment basis without loading for interest or clerical work. This decision was reached as a result of protest by representatives of the Richmond Association of Life Underwriters, as well as by representatives of companies of other states, which could not write the business under the rule laid down by the commission because of laws in their states prohibiting the writing of business on such a basis. Action of the commission in promulgating the rule made it possible for Virginia companies only to write the business.

The protestants made the point at a hearing before the commission that writing the business on that basis would be a violation of the insurance code, which prohibits rebating or granting any special concessions in the writing of life insurance. Linwood Butterworth of Davis & Butterworth, Richmond general agents New England Mutual, headed the company representatives, and John B. Cary, chairman of the executive committee of the Richmond association, appeared as spokesman for that body.

The commission decided it was without authority under the law to place the state employees in a special class. Employees of the state highway department were particularly interested in getting the insurance, and it was indicated that they would not care to go into the plan if they could not get a special concession.

Charles J. Zimmerman, New Jersey general agent for the Connecticut Mutual Life, will speak to the Senior Alumni Association of the Temple B'nai B'rith, Nov. 29, in Newark on "Personal Economics."

Aggressively Developing State of Illinois Offering Unusual Agency Opportunities

Liberal First Year Commission and Non-forfeitable
Renewal Commissions

Assistance in the Field Home Office Co-operation

GLOBE LIFE INSURANCE CO. OF ILLINOIS

WM. J. ALEXANDER, President
An Old Line Legal Reserve Company—Established 1895
40 Years of Continuous Faithful Service
to Policyholders

Writing Complete Line of Modern Policies with
All Standard Provisions
Ages (0-60)

Double Indemnity — Disability — Non-Medical
Modern Juvenile Contracts Full Benefits Age 5

WRITE US TODAY FOR PARTICULARS

431 South Dearborn Street

Chicago, Illinois

Strong Progressive

Are You Willing to WORK for a Company Which Is Willing to WORK with You?



**NORTH AMERICAN LIFE INSURANCE COMPANY
OF CHICAGO.**

E. S. ASHBROOK
President

JOHN H. McNAMARA
Founder

PAUL McNAMARA
Vice-President

NORTH AMERICAN BUILDING, CHICAGO, ILLINOIS

Are You Interested in Territory in—

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| <input type="checkbox"/> ILLINOIS | <input type="checkbox"/> KANSAS | <input type="checkbox"/> IOWA |
| <input type="checkbox"/> INDIANA | <input type="checkbox"/> MICHIGAN | <input type="checkbox"/> NEBRASKA |
| | | <input type="checkbox"/> MINNESOTA |

Check the territory, fill in the coupon, and return to

Name
Address
City and State

ROCKFORD LIFE INSURANCE CO.
Rockford, Illinois

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LEGAL RESERVE FRATERNALS

Leyhe Relected in Missouri

Plea for Educational Program to Eliminate Misunderstandings Made at Annual Congress Meet

ST. LOUIS, Nov. 25.—Paul J. Leyhe of St. Louis was relected president of the Missouri Fraternal Congress at the annual meeting here. Other officers are: A. B. Sinks, St. Louis; J. A. Airley, Kansas City and Mrs. May Sommers of St. Louis, vice-presidents; Mrs. L. Spurrings, St. Louis, secretary, and D. J. Kelley, St. Louis, treasurer.

The delegates authorized the executive committee to incorporate, providing it doesn't conflict with the National Fraternal Congress regulations.

During the two-day session various speakers urged the necessity for the congress to sponsor an educational program on the ideals and purposes of fraternal organizations. It was contended that such a campaign would do much to overcome the detrimental publicity fraternal insurance has received during the past two years. The necessity for supporting a revision in the Missouri insurance code at the forthcoming meeting of the state legislature at Jefferson City was also stressed.

President Leyhe pointed out the necessity for those present to refrain from discussing the activities of the Fraternal Protective Association of Missouri which sought to defeat Governor-elect Stark. The Missouri Fraternal Congress did not officially participate as a group in any of the affairs of the Fraternal Protective Association of Missouri, he said. The congress is strictly nonpartisan and nonpolitical.

Hide Light Under Bushel

"If one charge of neglect can be laid at the door of fraternalism of this state it is that for years we have been hiding our light under a bushel, so to speak. The real cause for antagonism to the fraternal system is misunderstanding," declared Mr. Leyhe. "Nothing would please me more than for this convention to propose and to determine upon a definite policy of fraternal education throughout the state. I am convinced if those in and out of authority would discuss the question honestly and fairly with those who have devoted years to fraternalism there would be no misunderstanding whatsoever. Let us dedicate ourselves to the employment of every means at hand for education."

Brings Out New Certificates

Catholic Order of Foresters Adopts Series of Forms to Be Issued on and After Jan. 1

The Catholic Order of Foresters has adopted a number of new certificates effective Jan. 1. Four include the feature of settlement at age 70 or thereafter upon completion of any certificate year on the basis of tabular reserve without deduction of any surrender charge. These forms are whole life, issued at ages 16-60, inclusive; 20-pay whole life, ages 16-60; whole life paid up at age 50, ages 16-40, inclusive, and whole life paid up at age 60, ages 16-50, inclusive. These were drafted to provide the greatest possible amount of old age payments to members.

Other Forms Announced

Other new forms are 20 years survivorship fund, age 60 survivorship fund, 10 and 20 year term, and juvenile annual renewable term of age 16 and juvenile whole life. The 20 year survivorship fund provides for contributions to be paid by members for 20 years or until death, whichever occurs first, with benefits to beneficiaries if death occurs during the 20 years survivorship period, or to the member if he survives. After five years in force, the member is entitled to apply for cash surrender value on the full tabular reserve less surrender charge of not more than 1 percent of the amount of insurance surrendered. This contract is issued aged ages 16-60 inclusive.

The age 60 survivorship fund provides for contribution by members to age 60 or death, whichever occurs first, benefits being payable to beneficiary on death of member during the period before age 60 or to the member if he survives to that age. A cash surrender value as under the other contract may be secured after five full years in force. The 10 and 20 year term certificates are issued ages 16-60, inclusive, there being privilege of exchanging for any permanent form during the first seven years or at age 60, whichever occurs first, under the 10 year certificate, and during the first 15 years or age 60, whichever occurs first, under the 20 year certificate.

Plan Ohio-West Virginia Rally

Plans are under way for the 1937 Ohio-West Virginia Congress of the Ben Hur Life, which will be held in

Columbus next September. The organization is preparing for a new policyholders campaign, which, it is hoped, will enroll 1,000 new members.

Gilroy Notes Societies' Gains

Past President of N. F. C. Reports on State of Fraternalism; Says Institution Sound

Assets of the 85 societies in the National Fraternal Congress on Jan. 1 stood at \$828,640,352, a gain of \$61,191,970 since 1933, P. F. Gilroy, head of the Woodmen of the World, Denver, and immediate past president of the N. F. C., comments in an article in his society's publication, "The Pacific Woodman." In the three year period for which he makes comparison insurance in force of the societies rose to \$4,179,996,076, an increase of \$214,000,000, he said.

Mr. Gilroy took occasion to make the report since fraternal society leaders were not included in the President's conference Sept. 15 with a number of life company officials. He presented what he said would have been the report of the fraternal leaders if they had been called into conference. The President, he said, would have been informed that no conservators, liquidators, or receivers have been appointed to wind up affairs of fraternal during the depression period; that no fraternal found it necessary to borrow money from the federal government.

Only Danger Mismanagement

"If two insuring institutions—one a modern fraternal benefit society and the other an old line life company," Mr. Gilroy said, "are collecting scientifically accurate and adequate rates derived from the most conservative mortality standard in general use—the American Experience Table of Mortality—will it ever be necessary for either of them to exact additional contributions or be obliged to place a lien against any contract issued by them? Certainly not, unless individual reserves becomes impaired through embezzlement or disastrous speculation on the part of the management."

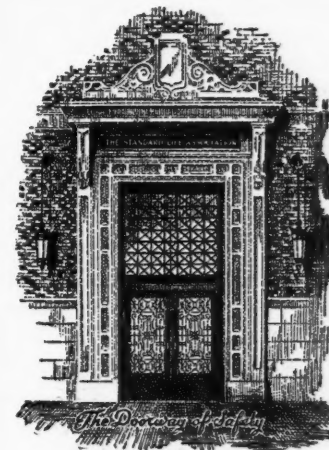
"The American Experience Table of Mortality is sufficiently flexible to care for all mortality fluctuations, but it cannot possibly protect policyholders against dishonest or incompetent officials who dissipate the funds set aside to guarantee the maturity of options and equities, specified in legal reserve life insurance contracts. Mismanagement can wreck any organization, no matter how solid its foundations."

"Any life insurance company or modern fraternal benefit society operating

on actuarially sound rating principles based on a recognized mortality table, if conducted with integrity, economy and efficiency, is certain to carry out the promises contained in its contracts without change."

Gleaners Open New Addition

The Gleaners Life of Detroit this week occupied the new home office addition erected at the rear of the old building at Woodward and Palmer avenues. Three stories high, of stone, brick and concrete construction, the new building



**Stability — Safety
Performance**

**ASSETS
\$13,750,000.00
CLAIMS PAID
\$114,000,000.00**

The Standard Life Association

Lawrence, Kansas

GEO. R. ALLEN President
JOHN V. SEES Secretary
MARTIN MILLER Treasurer

FORTIETH ANNIVERSARY

● Backed by forty years of service and progress and facing another era of achievement.

SUPREME FOREST WOODMEN CIRCLE Omaha, Nebr.

A legal reserve, fraternal benefit society which insures women and children

Dora Alexander Talley
National President

Mamie E. Long
National Secretary

FRATERNALISM IN ACTION!

SIXTEEN MILLION DOLLARS VOLUNTARY RELIEF!!

Modern Woodmen of America opens the record and points to what it has done since its founding fifty-three years ago—to what it is doing now—as a Fraternal Beneficiary Society—

Modern Woodmen of America in fifty-three years has extended financial aid voluntarily to communities and individuals, the victims of floods, fires, earthquakes and other calamities, including local relief to those in distress amounting to EIGHT MILLION DOLLARS—

Modern Woodmen of America from 1909 to date has furnished free Sanatorium treatment to more than ten thousand of its T. B. members. Buildings, equipment, maintenance and operation, and the service rendered has cost another EIGHT MILLION DOLLARS—

EIGHT + EIGHT = SIXTEEN MILLION DOLLARS

These benefits, not in its contracts, have come from the fraternal action of Modern Woodmen of America, which issues modern legal reserve life insurance contracts to its members and has paid claims approximating SIX HUNDRED MILLION DOLLARS—

**SIXTEEN MILLION + SIX HUNDRED MILLION = SIX
HUNDRED SIXTEEN MILLION DOLLARS**

MODERN WOODMEN OF AMERICA - Rock Island, Illinois

(Nation-wide celebration of its Fifty-Fourth anniversary will be held in January, 1937.)

doubles usable floor space. It houses the policy writing, actuarial, medical, printing, stenographic, real estate and application filing departments, giving room for expansion of executive offices, lobby and other facilities in the older section. It also contains a large auditorium on the third floor for field meetings and employees' entertainments, equipped with stage and kitchen fixtures. The Gleaners now has 50,000 certificate holders and 65 home office employees, says R. F. Reutter, secretary-actuary.

Illinois Congress Offers Central Photostat Service

A photostat service for all societies operating in Illinois is proposed by the Illinois Fraternal Congress, which has sent a bulletin and questionnaire card to member societies. The plan would make available to societies needing less than 25,000 photostats a year an adequate service at minimum cost without installing their own equipment. It is estimated photostat of an application would cost 12 cents plus delivery charge for the size 6½ by 10 inches and 10 cents for 5¼ by 8¼. The service as planned would be available 24 hours a day and would be operated without profit. Societies would be billed

monthly for photostats, postage or delivery cost, there being no charge for postage or delivery if a society delivers its applications (in the "loop") and picks up its photostatic copies.

A ruling of the Illinois insurance department makes it mandatory that copies of applications be endorsed upon or attached to all new certificate forms, but this requirement does not apply to certificate forms in use prior to July 1, 1936, until after Dec. 31, 1937.

MANAGERS ASSOCIATION

Honor Browne in Boston

BOSTON, Nov. 25.—Alex S. Browne, who has served the New York Life for 46 years, as cashier of the Boston office in 1890; inspector of the northeastern department from 1901 until last year when he became inspector of agencies at large, from which position he now retires, was given a testimonial dinner by Boston general agents. A. J. Farnsworth, agency manager Equitable Life of New York, presided. Paul S. Burns, manager Mutual Life of New York, presented Mr. Browne a humidor as a gift of the Boston General Agents & Life Managers Association. He also was elected an active life member of the association. Among those present were also C. W. Gammons, National Life of Vermont; F. E. DeGroat, Mutual Benefit; Paul F. Clark, John Hancock; R. W. Moore, New England Mutual Life; and Frank B. Summers, who succeeds Mr. Browne in Boston.

Discuss Savings Bank Plan

The Massachusetts savings bank life insurance plan will be discussed by General Agent Floyd E. DeGroat of the Mutual Benefit Life before the Boston Life Supervisors Club at its meeting Nov. 27. President George E. Levesque will preside.

Carroll Milwaukee Speaker

J. P. Carroll, superintendent of agents Lincoln National Life, spoke on "Recruiting" before the Milwaukee General Agents & Managers Club. He cited various methods used by successful general agents and managers. He has just finished a trip through Wisconsin and Illinois, calling on Lincoln National general agents.

Harris Addresses Supervisors

George H. Harris, publication relations officer, Sun Life of Canada, addressed the Cleveland supervisors group. General agents were also invited.

Nebraska Institute Meeting

The Nebraska Insurance Institute held its November meeting at Omaha. J. F. McDermott, vice-president of the First National Bank of that city, spoke on "Current Monetary Problems." Seven new members were elected.

Miss Atwood McVoy, daughter of James A. McVoy, director of agencies for the Pyramid Life of Kansas City, was married to Benjamin W. Clark of St. Louis.

Among the "Ad" Men in Chicago

President D. Bobb Slattery, Penn Mutual, presided at the opening session and at the banquet at the Life Advertisers Association meeting in Chicago. Seneca M. Gamble, Massachusetts Mutual, was chairman at the first session, John W. Murphy, Life of Virginia, at the second session, while Laurence J. Evans, Northwestern Mutual, presided at the last meeting.

James M. Blake, Massachusetts Mutual, presented a report of the nominating committee in the absence of Chairman S. A. Swisher, Jr., Equitable Life of Iowa.

S. A. Swisher, Jr., Equitable Life of Iowa, was scheduled to give a talk but was unable to be present due to illness.

George A. Adair, Girard Life, is planning to continue the use in 1937 of the attractive calendar which he discussed at the round table session in Chicago last spring. The calendar is of high quality and the agent's prospecting work is built around its distribution.

The electrical transcription presentation of the Acacia Mutual Life's direct mail plan for agents, which T. M. Rodlun gave in connection with his talk, added variety to the program. Mr. Rodlun ships the record and loud speaking equipment around to the general agencies for meetings.

Benjamin Getzoff, Central Life of Illinois, is getting reacquainted with life insurance after spending several months with the Republican national committee.

A. Scott Anderson, Equitable Life of Iowa, was congratulated for the attractive way in which the exhibits were displayed.

R. B. Helser, Home Life of New York, reported he has had a busy time contacting agencies and hasn't been in the office much recently.

Karl Ljung, Jefferson Standard, told how a policyholder thought he was a Chinaman because of the peculiar spelling of his name.

The etchings which the Life of Virginia uses on the covers of its attractive house organ are designed by a Richmond artist, according to Charles C. Fleming, its editor. They provide a simple but effective illustration.

Alan Kennedy, Northwestern National Life, received the silver cup for his company's winning exhibit.

E. E. Kirkpatrick, Ohio National Life, is still suffering ill effects from his broken leg. He is a great believer in sales contests and feels that his company's increase for the year is influenced by the successful war and other campaigns which were staged. Mr. Kirkpatrick broke his leg just at the time the war campaign was started and he had to direct it from his bed.

Cyrus T. Steven, Phoenix Mutual Life, who arranged the program, was commended for his excellent selection of topics and speakers. A great deal was covered in the program and the various aspects of advertising were segregated under topical heads, which was a very good idea.

The illustrated story of "What actu-

ally happened in Greensboro," told by Bart Lelper, Provident Life & Accident, drew a great many chuckles.

Nelson A. White, Provident Mutual Life, who was the first president of the Life Advertisers Association, was on hand.

The clever program designed by C. Russell Noyes, Phoenix Mutual Life, received many favorable comments. In addition to that, Don McCray, the art director who spoke, used it as an example to show the effectiveness of modern design and typography.

In introducing D. Gordon Hunter, vice-president and agency manager of the Phoenix Mutual Life, at the banquet, President Slattery said, "If he is half as good an agency manager as Cy Steven says he is, he is a 'whale of a good man.'" Mr. Steven is the Phoenix Mutual's advertising manager.

The versatile Harry V. Wade, United Mutual Life, was on hand. Not only is he an expert in financial and investment matters, but he is also well informed on advertising and agency work.

The banquet was slow in getting underway. As the featured speaker, Prof. Gus Dyer, Vanderbilt University, had to leave early, he gave his talk before the dessert was served.

H. F. Monley, Provident Life of Bismarck, flew in to the meeting.

The regional agency meetings of the Connecticut Mutual Life this year made it more difficult for W. L. Camp, III, to get photographs for company's agency magazine, "Con Mu Topics," as members of the publication's staff were not able to attend all sessions. Arrangements were made with general agents to appoint a camera minded agent to take the photographs and a good collection was secured. In getting contributions for "Con Mu Topics," Mr. Camp watches agency records and sales reports for cases and ideas that can be developed. He then writes to the successful salesman and is able to secure some excellent contributions in this manner.

Canadian life companies are forced to go to a great deal of bother in servicing policyholders in both English and French, according to M. S. Crockford, Excelsior Life supervisor of field service. The French are predominant in the province of Quebec, northern Ontario and parts of Winnipeg. Because of the intense feeling towards retaining the French language, it is necessary to print all advertising literature applications and policies in both languages. About 20 percent of the Excelsior Life's business is done with people who speak French exclusively. About 10 percent of its policyholders are French people who speak English. Because of conflict it is necessary that all material which is issued by the company be issued simultaneously in both languages. In preparing his advertising Mr. Crockford has a French advertising man rewrite it in French rather than translate it literally.

John Murphy, Life of Virginia, is a strong believer in better selection methods.

John H. McCarroll, Bankers Life of Iowa, did a good job as chairman of the press committee.

J. H. Castle Graham, London Life, says the Alberta situation will probably clear up in due time as the Dominion government probably will not grant the Alberta government any more funds to finance its project.

Rensli Likert spoke on radio advertising and also gave a talk before the joint meeting of the Life Agency Officers and the Sales Research Bureau. Mr. Likert is head of the research department of the bureau and was formerly with New York University. He is graduate of the University of Michigan.

Form Portland Trust Council

Members of the Southern Maine Life Underwriters Association have formed a Life Insurance & Trust Council with Manager Frederick C. Rozelle of the Equitable Life of New York in Portland as chairman.

Desirable Territory in ILLINOIS and INDIANA

with a sound
progressive organization

Write to

RURAL BANKERS Life Insurance Co.

610 Sherland Building
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SALES IDEAS AND SUGGESTIONS

Sales Opportunities Under Federal Act Viewed

KANSAS CITY, Nov. 25.—Cooperation with the social security act was expressed at the Kansas City Life Underwriters Association's meeting. It was held that life insurance does not conflict with the government's plan but that they complement each other. The meeting inaugurated a new type of "seminar" program, in which several speakers cover a single subject and the audience participates.

"What is Social Security?" was answered by Hugh P. McTernan, Sun Life; "Meeting the Social Security Objection," by Leon B. Fink, unit manager Equitable of New York, and "The Social Security of Legal Reserve Life Insurance," by Ross E. Moyer, actuary Business Men's Assurance.

Little Objection to Act on Part of the Public

In analyzing the probable practical effect of the act on life insurance, Mr. Fink said the average prospect knows very little about the federal act. There is little objection to it, said Mr. Fink. In two weeks he found only one prospect who declined to buy a contract he previously had indicated he wanted on grounds he feared the act would cause his employer to change its method of compensation. "The objection that the act takes money now for future benefits is one we've been meeting for years in the sale of life insurance," said Mr. Fink. "I don't believe this will be important. There are, for instance, very few objections to the amount taken from workers' pay for group insurance."

"The way the public accepts the act depends in a very definite measure on the way we as life insurance men approach the problem with it," Mr. Fink asserted. "Under the act the government will reach a greater number of persons than we can ever hope to reach, and I do not see how we can logically or honestly oppose it."

Advantages of Social Security Act Reviewed

Mr. Fink summarized the advantages of the social security act to the life insurance business as follows:

"1. It will sell the idea of systematic thrift to the public. Systematic thrift is not a characteristic of the average American, popular notions to the contrary. My hardest selling job, and probably it is yours, too, is to get the man to save for some insurance plan he is sold on. He wants it, it's just what he needs, but he balks at beginning to save to pay for it. In the social security act we have a mass sale of the necessity of a systematic method of saving. This will help us sell prospects who don't come under it."

"2. It will bring to the attention of the average man the value of a long term program of accumulation, something life underwriters have been attempting to sell for years."

"3. It will sell to the country at large the need for old age income."

Gives Average Man Incentive to Buy Annuities

"4. It gives the average man an incentive to buy annuities because he can see that these, combined with his income from the act, give him a chance to provide a living income after 65. He has a start with the social security act. Naturally he wants more. The life underwriter should, and should be able to, sell him more."

"5. It gives the life underwriter an approach that is bound to get inter-

views. My prospects already are thinking about what the act will do, talking about it, discussing the need for it. The social security act can be used as a prospecting approach. Everyone wants to know how to have an old age income, and is willing to talk about it with an underwriter."

"6. It enables the agent to ask the man what his salary is, and get the information, which is a long step toward a sale."

Enables Agent to Bring Out Life Insurance Advantage

"7. It enables the agent to bring out the advantages of the life insurance plan, which really supplements the act: 1, as emergency funds; 2, as substantial family benefits, and 3, for earlier retirement. The earlier retirement will appeal especially to younger persons. The flexibility of the life insurance contract will be one of the strongest selling points in connection with the act."

"8. The unemployment reserve of the act eliminates the objection of not being able to complete the program if unemployed."

"9. The cost will not be borne by employees or employers but by the public as consumer."

"10. It forcefully brings to the attention of business owners, professional people and employees in charity institutions the need for a plan to give them

Social Security Act and Inflation Is Explained

PHILADELPHIA, Nov. 25.—A. B. Levy, president of the Philadelphia Association of Life Underwriters and manager of the Equitable Life of New York, discussed the social security act and the devaluation of the dollar from the viewpoint of the life agent at the November luncheon meeting of Philadelphia Life's Plico Club. He declared that the social security act offers one of the greatest opportunities for improving life insurance sales since war risk insurance. "It will enable us to secure a much better interview with the prospect concerning his financial future for old age retirement," he stated.

In view of the limits under the act, a great many men and women can be sold additional amounts of life insurance in order to increase their retirement incomes, said Mr. Levy. Under the act the income begins at age 65 but life insurance can provide an income from an earlier age to the point when the government steps into the picture. The income can be arranged so that it is diminished at 65 so that what the individual receives from the government plus the diminished life insurance income will equal the income he was receiving prior to age 65. This can be done under the settlement options.

Answers Inflation Question

Going into the subject of inflation and the devaluation of the dollar, Mr. Levy asserted that the public does not know what it is all about. It is ridiculous for the prospect to say that he gives a dollar to the life company and that the beneficiary does not get the same dollar value back. If the prospect is firm in this belief and wants to make sure that his family will get 100 cents, "don't argue but suggest that he buy double the amount." Another solution is to have the proceeds distributed under options on an installment basis. In this way the

what the social security act gives the working man.

"An approach to those who do not come under the government pension:

"Mr. X, if the government plan had included you and required an immediate payment of 3 percent of your earnings, what would you have done?"

"I'd probably have paid it."

"Why not make your own 3 percent deduction?"

"It is a perfect sales situation. If he objects to the act, use the argument, 'You're probably the type of person who wants to prove that you don't need it. What better way than an adequate life insurance program?'"

May Broaden the Base of Economic Purchasing Power

"11. It may broaden the base of economic purchasing power. The great number of old people who have nothing at 65, to whom we have been pointing for years as horrible examples of the need for life insurance, now will have some means of support. Their spending should certainly increase the purchasing power of the nation, reduce demands for charity, etc."

"12. It may stabilize employment by encouraging employers to keep down unemployment."

"13. It may level off future depressions by taking men out of employment at 65 and making way for younger workers. The man must quit work at 65 to get his pension. If he continues to work he forfeits the benefits for the period in which he does work."

"14. It will give a vision and hope to persons in their twenties."

Harold T. Himes of the Aetna, who presided, suggested the idea of selling the prospect life insurance to protect the prospect's expectations of a government pension because his family gets very little under the social security act in case of death.

"The passage of this act and the ensuing discussion has created a consciousness in the minds of most individuals of the great need which they have for the very benefits which we have been offering to the public," said Mr. Moyer.

No Opportunity for Individual Adjustment

Legislation on such a vast scale as the social security act has little flexibility and there is practically no opportunity for the individual to adjust these benefits to his particular needs, said Mr. Moyer. The wise underwriter who is well informed on the provisions of the act should be able to advise his clients so that they can supplement the benefits provided by the act with a life insurance program. While the federal pension may be compared to the retirement annuity contract offered by life companies, the government annuity does not begin until after age 65, while the life insurance plan can start at any definite date.

There is also some uncertainty as to the amount the individual will be paid from the federal pension plan, said Mr. Moyer. If the provisions are continued without change, the amount he will receive depends upon his income which

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beneficiary will be able to even up through getting an income at apex periods when the dollar might be worth \$1.30 as well as at low periods.

Mr. Levy pointed out that if a man purchased a \$10,000 ordinary life policy it would take him 24 years before he put into the policy the amount that he says the policy will be worth with 50 percent inflation. Mr. Levy pointed out that at the end of that period, conditions would be apt to be so improved that the dollar would once more be worth 100 cents. In any event, should a man die at the end of 24 years his family would lose nothing—inflation or no inflation.

SALES IDEAS OF THE WEEK

INCREASED SALES SEEN

George E. Lackey, general agent Massachusetts Mutual Life, Detroit, told the Pontiac, Mich., Life Underwriters Association at a luncheon meeting that the federal social security legislation is paving the way for huge increases in private insurance activity.

Mr. Lackey pointed out that the vast amount of publicity being given the federal law is making the nation "security-minded" as never before and is institutional advertising of the best sort for life insurance. He predicted that life underwriters will find the way paved for them to sell annuities, not only to those coming under the act who will be dissatisfied with its small benefits, but more particularly to business and professional people who will not share in the federal protection.

* * *

FORMULA FOR SALES SKILL

Carroll J. Travis, life sales coach for Mutual Benefit Life discussed "A Formula for Sales Skill," before 45 salesmen at the Washington, Pa., branch of the Pittsburgh Life Underwriters' Association.

"Knowledge is not enough," he told them. "Application of what you have learned makes the difference between success and failure." Quoting the late Knute Rockne, football coach of Notre Dame, he said: "Championships are won by the application and practice of fundamentals and details, and not by inspiration." This is true in selling life insurance, he added. His three point discussion hung on:

"1. Conviction. Avoid apology and evasion. Talk to the point, first, last and always."

"2. Avoid opposition outwardly. Get yourself into a position of sympathy with your prospect's point of view and take him along with you without arousing his controversial instincts."

"3. If you have 10 points, make them all clear and keep on them until your hearer understands them thoroughly. Don't specialize on one point and ignore the other nine. Practice and drill yourself on your technique until it moves smoothly and you will succeed."

* * *

SLANTS IN SELLING

Eric Johnson, associate Pittsburgh general agent Penn Mutual and regional vice-president Pennsylvania State Association of Life Underwriters, addressed a group of agents at New Castle, on "Slants in Selling."

Underproduction is usually due to lack of prospects, said Mr. Johnson. New blood must be constantly added to prospect list. One day a week should be devoted to prospecting, he said.

The social security act publicity is giving life insurance a great amount of free advertising in making the public conscious of the future. It offers a fine opportunity for increased insurance sales.

"Don't forget to ask for the order, and be alert to know when to do this, said Mr. Johnson."

* * *

END OF YEAR RUSH HELPS

The Great Northern Life expresses the belief that the closing weeks of the year offer unusual opportunities to life and accident and health agents. This is so, the Great Northern states, because the idea of approaching the end of the year stirs all persons to the realization that life is passing swiftly and that unless one's house is put in order as quickly as possible it may be forever too late.

Second, Thanksgiving Day causes a

man to take stock of his blessings and blessings should be protected with life insurance.

Then Christmas climaxes the year and while the preparations men make for Christmas seem to get in the agent's way, yet the spirit back of those preparations is the spirit of life insurance.

* * *

PLANNED SELLING EFFECTIVE

Practical production pointers were outlined at the meeting of the Life Underwriters Association of St. Louis by Harry Phillips, Jr., Penn Mutual Life agent in New York City. In analyzing "Planned Selling" he discussed the life agent's objectives as a business man and planning the actual sale. In stressing the need for planning the sale prior to the actual contact with the prospect he pointed out that every other business plans ahead.

"Make up your mind now that 1937 is going to be the best year you have ever had," Mr. Phillips declared. "Make up your mind on how much money you will make in 1937. It is all a case of setting your sights. And don't aim too low. Presuming that an agent earns an average of \$10 per \$1,000 of new business, it is apparent that you have got to produce \$500,000 to earn \$5,000 in first year's premiums. I know that is far above the average earnings of life insurance agents. But you have got to be good underwriters to get anywhere."

Keep Quota Card on Wall

"Keep your quota card on the wall of your office and check on it every day. Put yourself on the spot to do a good job. Know what you are doing and intend to do every minute of the day. Be organized to do a good job every day. Make your renewals the hidden profits of your business.

"Planning makes your work more effective. It is a hard job, but I think it is half the battle."

"Most persons can see an uptrend to their income at present," said Mr. Phillips. "Take advantage of that fact."

* * *

BUILD PRESTIGE

"If I were a personal producer I would invest from 3 to 5 percent of my first year earnings in 'prestige building,' first taking advantage of my company's co-operative plans, and then branch off into other channels that opened to me," M. S. Crockford, director of field service, Excelsior Life.

New Book on Business Trusts

Bruce Humphries, 306 Stuart street, Boston, is issuing a new book, "The

A B C of Business Insurance Trusts," by B. S. Collins, assistant vice-president of the Old Colony Trust Company of Boston. It is in three parts, the first presents in detail, using the case method, giving practical sales plans for the life man and trust officer. It covers corporations, partnerships and proprietorships. Part 2 contains the fundamentals of business insurance and business insurance trusts set up in reference style. Part 3 shows two suggested deeds of trust, one to cover the average corporation case, the other to cover the average partnership case. The book is sold by THE NATIONAL UNDERWRITER, the price being \$2.

Sales Opportunities Under Federal Act Are Viewed

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may vary. The federal pension will be small and offers no way of procuring any ready cash in time of need before maturity and in the event of death the sum available to the family provides little protection.

The social security act has made everyone conscious of the need for some form of income in the latter years and the wise agent will be able to turn this consciousness into sales, declared Mr. Moyer.

To supplement his federal pension a prospect can buy a \$10,000 20-payment policy which will cost the prospect \$300 a year at age 35, and at age 65 there will be a cash value of \$6,880 which will provide an income of \$50 a month. However, if death should occur prior to age 65, the \$10,000 would furnish a life income to the widow of between \$45 and \$65 per month, depending upon her age. Under this provision the policyholder provides for his widow, who is not covered under the act, supplements his federal income at 65 and at the same time the cash and loan value of his policy provides an emergency fund which he can draw upon at any time. A \$10,000 whole life policy, taken at age 35 with a \$210 annual premium, would provide \$5,000 cash at 65 and an income of \$37 a month to supplement the pension.

Under the waiver of premium benefits for disability, the life policy also assures the policyholder of the fulfillment of his program, said Mr. Moyer.

Stress Production From New Agents

(CONTINUED FROM PAGE 1)

in turn means recruiting on a strictly quality basis, no matter how tempting it may be to take on a horde of mediocre men for the sake of the business they will bring in. At the same time, this quality recruiting must be done on an economical basis, which means that the search for quality must not be too exacting or the agency and company will lose more money seeking a handful of ideally qualified recruits than they would have under the old hit-or-miss system of recruiting.

Not Utopian Ideal

Enough agencies are operating on a quality basis to justify the conviction that the ideal is a practical one and not utopian. One real difficulty which it may be that time alone can mitigate is that older general agents or managers either distrust the quality idea as being impractical, or else are unable to adapt themselves to so radical a change in management policy.

Where the home office is in a position to exert control much can be done in arranging a setup so that the general agent or manager has a direct financial interest in saving management cost, as it is on the score of the immediate expensiveness that the quality program is most likely to stumble. It is frequently found that substantial economies can be effected through having agency heads take an active interest in holding expenses down or in cutting

them below what had previously been looked upon as being perfectly reasonable.

Fraternal Seek Exemption from Social Security Tax

(CONTINUED FROM PAGE 1)

32 N. F. C. societies, to go ahead with filing of the preliminary returns under the social security act on or before Nov. 21, the date set by the social security board, and it was suggested that the field department and employees of any charitable division such as sanatoria, hospitals, homes for aged, orphans, etc., be eliminated from consideration in preparing the returns, but that a separate letter be sent with the returns setting forth the fact that these had not been included. The special committee headed by Mr. Ekern was requested also to ask for a stay or a moratorium in regard to payment of the tax due in January, 1937.

The fraternal are in a quandary as to how to pay the social security tax for their setup does not permit of any such appropriation. Unlike old line legal reserve companies which have rather broad latitude in the matter of essential expenditures, the fraternal are sharply restricted. There is no fund they could draw upon to pay this tax, nor are the officers empowered to make appropriation under any theory of emergency.

Would Require Assessment

Efforts of several states to collect back license fees and penalties with interest over many years under the theory that fraternal no longer were entitled to exemption because they had modified their plan to that virtually of old line companies for several years has greatly concerned the fraternal officials. If the states had been successful in exacting the tax, the fraternal would have had to impose extra assessments on certificate holders of the states involved.

The same situation is true in regard to the social security tax. Unless fraternal are able to be exempted, it probably will be necessary for them to calculate and impose an extra assessment sufficient to bring in enough money to pay the tax. And this will have to be one that continues year after year and will, of course, increase the cost of fraternal insurance to the certificate holders.

Mr. Bradshaw at the executive committee meeting brought up the matter of the Texas license tax and all societies were urged to cooperate with the special committee of the N. F. C. handling tax matters to watch developments in their state and report them promptly to the Chicago headquarters.

"Live to Win" Slant Shows Unusual, Sure-fire Sales

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"Back in 1925 to 1930 the life values of various executives were not truly revealed," he said. "The \$25,000 a year man was insured for \$1,000,000. But from 1930 to 1935 the man who could keep the business just two inches in the red and not let it sink completely might have been far more valuable than any man in the prosperous period.

Now Have Money

"Of course, you will say that these firms had no money to buy life insurance, but it might have been better for them to insure the life of such an executive than to have fire insurance on their warehouse, for example. Now, they have the money to buy the insurance on these men who have proven their value." Mr. Adam stressed the point that many so-called unusual types of coverage are today in the same position that business insurance was years ago, and that in the future they will probably be as well recognized as business coverage is today.

Hope Fall Will End New York's Slump

(CONTINUED FROM PAGE 4)

accustomed to following Wall Street lead on what to think about financial and business matters to shake off the influence quickly, even though they have had a depression to show them that the great financial minds were not so very different from everyone else.

Wall Street people are taking a pessimistic view of national conditions, particularly the heavy federal expenditures and borrowings which they feel, along with many other people, will result in heavy increases in taxes. While New York, because of the Tammany political machine, is nearly always overwhelmingly Democratic, the more substantial business men are usually found in the Republican lineup. Consequently they do not feel very good about the present Washington administration.

In the smaller communities there has been more chance to see the results of government spending in a practical way and to experience some of the resulting prosperity. There has been very little of this government money spent in New York City where it could make much difference to the substantial business man, or to the average life insurance buyer. The coolness between the Tammany Hall organization and the federal government, of course, accounts for some of the lack of government spending in New York City, but it would hardly be in the nature of things for federal projects to make much difference in New York City's prosperity.

Little "Pump Priming" Here

In addition to feeling practically none of the effects of government money, New Yorkers, being financially minded, are gloomily inclined to foresee that the piper must inevitably be paid. They see themselves as the more prosperous element in the nation, being the most heavily taxed to pay for federal relief projects, or else they foresee currency inflation, which they like even less.

The typical New Yorker, in taking his conservative view of present and future conditions, is also inclined to worry himself about many things that never happen, to a greater extent than he would if he were living in another section of the country. The Middle Westerner, Southerner or Pacific Coast man is considerably less likely than the New Yorker to worry, for example, about what is going on in Europe.

Much Tax Legislation Is Anticipated This Season

NEW YORK, Nov. 25.—Next year legislatures in 44 states will hold regular sessions in addition to the Congress, and that measures affecting insurance will be offered in many if not the majority of the legislatures is taken for granted. Always in search of additional sources of revenue, it may be assumed that tax bills of one sort or another will make their appearance. The great reserve accumulations which insurance companies of all types are required to maintain in order to safeguard their obligations to assured present an appeal to further tax, which the average legislator finds it hard to resist.

Winnipeg Actuaries Elect

John Turnbull, actuary of the Sovereign Life, was elected president of the Actuaries Club of Winnipeg at the first meeting of the season. E. M. MacRae, Great-West Life, is secretary.

The speakers were H. P. C. Hansen, who discussed dividend scales; R. J. Martin, who spoke on group insurance and Mr. MacRae who spoke on underwriting problems.

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